166

Vol. IV

85796
H. B. L. C.

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1937

No. 636

ELECTRIC BOND AND SHARE COMPANY, AMERICAN GAS AND ELECTRIC COMPANY AND AMERICAN POWER & LIGHT COMPANY, ET AL., PETITIONERS,

vs.

SECURITIES AND EXCHANGE COMMISSION, HOMER S. CUMMINGS, INDIVIDUALLY AND AS ATTORNEY GENERAL OF THE UNITED STATES, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR CERTIORARI FILED DECEMBER 14, 1937.

CERTIORARI GRANTED JANUARY 3, 1938.

INDEX

Subject	*Page*
PLEADINGS*	2-260
Subpoena	2
Order for Leave to File Amended and Supplemental Bill	4
Amended and Supplemental Complaint	5
Notice of Motion	65
Petition for Intervention of Appalachian Electric Co., et al	67
Stipulation	88
Order Bringing in Appalachian Electric Power Co., et al	90
Stipulation Extending Time to Answer	91
Stipulation Extending Time to Answer	92
Answer of Defendants and Intervening Defendants to the Amended and Supplemental Bill of Complaint	93
Stipulation as to Additional Parties	202
Order	205
Bill of Intervention	206
Stipulation Extending Time to Reply	217
Stipulation Extending Time to Reply	218
Reply of Plaintiff and Cross-Defendants to the Counter-Claim and Cross-Bill of the Defendants and Intervening Defendants	219
STIPULATION OF FACTS**	261-637
Article I. Scope of Stipulation, Identity of Parties and Definitions	261
1. Scope of Stipulation	261
2. Identity of Plaintiff and Cross-Defendants	262
3. Definitions	263
4. Identity of Defendants	264

* Volume I, Pages 1-260.
** Volumes II and III, Pages 261-439

Subject *Page*

Article II. Failure to Register Under, Exemptions From and Violations of the Act 268

5. Failure to Register under the Act.. 268
6. Exemption of Certain Defendants.. 269
7. Present Violations of the Act by Defendants 270

Article III. Enforcement of the Act by the Plaintiff and Cross-Defendants 271

8. The Attorney General 271
9. The Postmaster General 272
10. The Commission and the Members of the Commission 273
11. Enforcement After Final Decree... 274
12. Cost of Registration 275
13. Legislative Hearings on the Act.... 276

Article IV. Genesis and General Description of Bond and Share and Holding Defendants 278

14. 278

Article V. Financial Structures and Corporate Inter-Relationships of the Defendants and their Subsidiaries 283

15. Charts of Corporate Inter-Relationships 283
16. Bond and Share 283
17. American Gas 286
18. American Company 288
19. Electric Company 292
20. United Company 295
21. National Company 296

Subject *Page*

22. Investments of Defendants in Their Subsidiaries 299
22A. Charters of Bond and Share and Holding Defendants 300
23. Trading in Securities of the Bond and Share System 301
23A. Payment of Interest and Dividends 301
23B. Appreciation and Depreciation of Property and Investment Accounts 301

Article VI. Organization and History of American Company 302

24. Organization 302
25. Subsequent Acquisitions of Utility Properties 304
26. Physical Integration of Properties 306
27. Extent of System and Service..... 307

Article VII. Organization and History of Electric Company 309

28. Organization 309
29. Subsequent Acquisitions of Utility Properties 310
30. Physical Integration of Properties 312
31. Extent of System and Service..... 313

Article VIII. Organization and History of United Company 314

32. Organization 314
33. Subsequent Acquisitions of Utility Properties 316
34. Physical Integration of Properties 317
35. Extent of System and Service..... 318

Subject	*Page*
Article IX. Organization and History of National Company	319
36. Organization	319
37. Subsequent Acquisitions of Utility Properties	320
38. Physical Integration of Properties	322
39. Extent of System and Service	323
Article X. Present and Former Relations Between Bond and Share and Holding Defendants	325
40. Preliminary Statement	325
41. Business of Holding Defendants	325
42. Stock Owned by Bond and Share and Voted at Stockholders' Meetings	326
43. Directors	327
44. Conduct of Business and Service Arrangements	328
Article XI. Relationships Between Holding Defendants	332
45. Relation of Major Holding Defendants to Their Subsidiary Holding Defendants	332
46. Relation of Major Holding Defendants to Each Other	333
Article XII. Relations of Bond and Share and Holding Defendants to the Operating Subsidiary Companies (Including the Holding-Operating Defendants) and of the Holding-Operating Defendants to their Subsidiaries	335
47. Stock Ownership	335
48. Service Relations	335

Subject *Page*

49. Directors and Officers of Holding Defendants 336
50. Operating Organization of Operating Subsidiary Companies 338
51. Initial Organization of Operating Companies 341
52. Roster of Officers and Directors of Operating Companies 342
53. Relations of Holding-Operating Defendants to Their Subsidiaries 343

Article XIII. Ebasco Services Incorporated 352

54. Rendition of Services by Bond and Share Prior to November 25, 1935.. 352
55. Incorporation of Ebasco Services Incorporated 352
56. Cancellation of Service Contracts with Holding Defendants 353
57. Transfer of Stock in Other Corporations to Ebasco 354
58. Transfer of Service and Other Contracts to Ebasco 355
59. Board of Directors 357
60. Officers 357
61. Qualification of Ebasco as a Foreign Corporation 358
62. Performance of Services by Ebasco 358
63. Separation of Business between Ebasco and Bond and Share 358
64. Transfer of Service Personnel to Ebasco 359
65. Preliminary Statements with Respect to Services 360
66. General Description of Services Rendered to the Serviced Operating Companies 362

Subject *Page*

67. Accounting Services 366
68. General Engineering Services 367
69. Purchasing Services 370
70. Services Rendered by General Department 373
71. Budget Services 373
72. Insurance Services 374
73. Statistical Services 375
74. Tax Services 377
75. Rate Services 378
76. Sales Services 379
77. Secretarial Services 382
78. Treasury Services 382
79. Corporate Services 384
80. Special Engineering and Construction Services of Phoenix Engineering Corporation 385
81. Compensation, Income and Expenses of Ebasco 390

Article XIV. History of Bond and Share Service Organization and Description of Services Rendered 393

82. Origin and History of Service Arrangements 393
83. Services Formerly Rendered by Bond and Share 401
84. Reports Formerly Made by Serviced Companies to Bond and Share and Now Made to Ebasco 405
85. Bibliography of General Reports and Studies 410
85A. Engineering Studies and Reports... 411
86. Exhibits Relating to Purchasing Services 411

Subject *Page*

87. Exhibit Relating to Construction Services 413
88. Exhibits Illustrative of Services to Particular Companies 413
89. Income From Performance of Services by Bond and Share 414

Article XV. Financial Services Rendered By Bond and Share To Serviced Companies 415

90. General Statement 415
91. Formulation of Financial Programs 418
92. Bonds, Debentures and Preferred Stock Sold Through Investment Bankers 421
93. Preferred Stock Sales to Customers of Operating Companies 424
94. Listing of Securities on Stock Exchanges 426
95. Personnel of Bond and Share Securities Department 427

Article XVI. American Gas 428

96. Origin 428
97. Subsequent Acquisitions of Utility Properties 430
98. Physical Integration of Properties 432
99. Extent of System and Service 433
100. Relations of American Gas to Bond and Share 433
101. General Description of Business of American Gas 436
102. Relations of American Gas to its Subsidiaries 437

Subject *Page*

103. Relation of Holding-Operating Companies in the American Gas System to their Subsidiaries 438

Article XVII. Services Rendered to Subsidiaries of American Gas 443

104. General Statement 443
105. Administrative Department 445
106. Legal Department 445
107. Accounting and Auditing Departments 447
108. Stock and Dividend Department .. 449
109. Statistical Department 450
110. Purchasing Department 450
111. Commercial Department 454
112. Appraisal and Insurance Department 456
113. Engineering Department 457
114. Methods of Calculating Charges for Services 459
115. Bibliography of General Reports and Studies 461
116. Financing of American Gas and Its Subsidiaries 461
117. Income from Performance of Services by American Gas 467
118. Personnel of American Gas 467

Article XVIII. General Description of Physical Operation of Electric Utility Companies 468

119. Production, Transmission and Distribution 468
120. System Capacity Requirements 471
121. Synchronous System Operation ... 472
122. Interconnected Systems 474

Subject *Page*

123. Tracing Energy in System or Power Pool Operation 475
124. Historical Development of Systems and Interconneetions 476
125. Location of Generating Facilities .. 477
126. Long Distance Transmission 479
127. Reasons for and Relative Significance of Interconnection within and between Systems 480
128. Data as to National Production, Consumption and Interstate Movements 483
129. State Regulation of Electric and Gas Utilities 487

Article XIX. Description of Electric Operations of Subsidiaries of Holding Defendants 489

130. Preliminary Statement 489
131. Pacific Power & Light Company (Oregon and Washington) and its subsidiary, Inland Power & Light Company (Oregon and Washington), Northwestern Electric Company (Oregon and Washington), The Washington Water Power Company (Washington and Idaho) and its subsidiary, Chelan Electric Company (Washington and Idaho) 490
132. The Montana Power Company (Montana and Idaho) 504
133. Minnesota Power & Light Company (Minnesota), Northern Power Company (Wisconsin), Superior Water, Light and Power Company (Wisconsin) 508

Subject	Page
134. Nebraska Power Company (Nebraska), Citizens Power & Light Company (Iowa)	511
135. Kansas Gas and Electric Company (Kansas)	513
136. Florida Power & Light Company (Florida)	515
137. Central Arizona Light and Power Company (Arizona)	516
138. Texas Electric Service Company (Texas)	517
139. Texas Power & Light Company (Texas)	518
140. Texas Public Utilities Corporation (Texas)	520
141. New Mexico Electric Service Company (New Mexico)	521
142. Dallas Power & Light Company (Texas)	522
143. Utah Power & Light Company (Utah, Idaho and Wyoming) and its two Subsidiaries, The Western Colorado Power Company (Colorado) and Bountiful Light and Power Company (Utah); and Idaho Power Company (Idaho, Oregon and Nevada)	523
144. Arkansas Power & Light Company (Arkansas), Louisiana Power & Light Company (Louisiana), Mississippi Power & Light Company (Mississippi)	535
145. New Orleans Public Service Inc. (Louisiana)	550

Subject *Page*

146. Memphis Power & Light Company (Tennessee), West Tennessee Power & Light Company (Tennessee) 552
147. Houston Lighting & Power Company (Texas) 555
148. Birmingham Electric Company (Alabama) 557
149. Carolina Power & Light Company (North Carolina and South Carolina), Tennessee Public Service Company (Tennessee), Roanoke River Power Company (Virginia), Holston River Electric Company (Tennessee) 558
150. Pennsylvania Power & Light Company and Subsidiaries (Pennsylvania) 570
151. The Ohio Power Company (Ohio and a plant in W. Va.), Wheeling Electric Company (W. Va. and Ohio), Indiana & Michigan Electric Company (Ind. and Mich.), Indiana General Service Company (Ind.), Southern Ohio Public Service Company (Ohio), Kanawha Valley Power Company (W. Va.), Appalachian Electric Power Company and its two wholly owned subsidiaries (Va., W. Va. and Tenn.), Kentucky and West Virginia Power Company, Inc. (Ky.) and Kingsport Utilities, Incorporated (Tenn.) 576
152. The Scranton Electric Company (Pennsylvania) 605
153. Atlantic City Electric Company (New Jersey) 608

Subject *Page*

Article XX. General Description of Physical Operation of Gas Properties 611

154. Definitions 611
155. Production, Transportation and Distribution 611
156. Field Use of Natural Gas 613
157. Transportation of Natural Gas.... 614
158. Movement Across State Boundaries 614
159. Pressure Regulation 617
160. Distribution 618
161. Interconnections; Transportation for Account of Others 618
162. Relation to Electric Service 619

Article XXI. Properties and Physical Operations of the Gas Companies in The Systems of The Holding Defendants 620

163. General Statement 620
164. United Company Group (and associate Companies) 622
165. Portland Gas & Coke Company (Oregon and Washington) 633
166. Superior Water Light and Power Company (Wisconsin) 634
167. Central Arizona Light and Power Company (Arizona) 635
168. Florida Power & Light Company (Florida) 636
169. Pennsylvania Power & Light Company (Pennsylvania) 636
170. The Montana Power Company and Montana Power Gas Company (Montana) 637

EXHIBITS*

		Referred to on Page	Printed on Page
1	Rule 3A-2 of the Commission	269	640
2	Circular to United States Attorneys	271	641
3	Circular to United States Attorneys	271	644
4	Circular to Postmasters	272	648
5	Rule 4 of the Commission	273	649
6	Press Release of the Commission, November 22, 1935	274	650
7	Notification of Registration	276	652
8	Public Utility Holding Company Bill with Amendments proposed by Committee of Public Utility Executives, May 3, 1935, as set forth in Section 13 of the Stipulation	277	655
9	Corporate Charts ..... Bond and Share System American Gas System American Company System National Company System Electric Company System United Company System	283	2085
10	History of Capitalization of Bond and Share	284	733
11	Balance Sheet, American & Foreign Power Company Inc.	285	740
12	Consolidated Balance Sheet, American & Foreign Power Company Inc. and Subsidiaries	285	744
13	Comparative Balance Sheet, Bond and Share	286	754
14	American Gas and Subsidiaries Corporate Structure, December 31, 1935	288	760

* Volumes IV, V, VI and VII, Pages 640-2165

		Referred to on Page	Printed on Page
15	Balance Sheet, American Gas	288	764
16	Consolidated Balance Sheet, American Gas and Subsidiary Companies	288	767
17	American Company and Subsidiaries Corporate Structure, November 30, 1935	291	770
18	Balance Sheet, American Company	291	782
19	Consolidated Balance Sheet, American Company and Subsidiary Companies ..	291	786
20	Electric Company and Subsidiaries Corporate Structure, November 30, 1935 ..	294, 315, 316	792
21	Balance Sheet, Electric Company	294	810
22	Consolidated Balance Sheet, Electric Company and Subsidiary Companies ..	294	813
23	Balance Sheet, United Company	296	819
24	Consolidated Balance Sheet, United Company and Subsidiary Companies	296	822
25	National Company and Subsidiaries Corporate Structure, November 30, 1935 ..	299	827
26	Balance Sheet, National Company	299	838
27	Consolidated Balance Sheet, National Company and Subsidiary Companies ..	299	840
28	Bond and Share Investments Schedule A—Total Investments	285, 299, 304 310, 315, 320 429	846
	Schedule B—Analysis of Ledger value and cost of investments in American Company, Electric Company and National Company, December 31, 1934	299	850

		Referred to on Page	Printed on Page
	Schedule C—Analysis of ledger value and cost of investment in American & Foreign Power Company Inc., December 31, 1934	299	854
29	Excerpts from Charter and By-Law Provisions of Bond and Share, Ebasco and certain Holding Defendants	300	858
30	Securities Traded in during Calendar Year 1935	301, 427	884
31	Payments of Bond and Debenture Interest and Dividends	301	904
31A	Appreciation and Depreciation of Property and Investment Accounts	301	914
32	Plan of Organization of American Company and Subscription Agreement for Purchase of Stock	303	931
33	American Company Organization Syndicate Cost and Profit	303	935
34	Organization and Capitalization of Certain Operating Subsidiaries of American Company	306	937
35	Total Operating Revenues American Company Subsidiaries including Non-Utility Companies	308	952
36	Organization and Capitalization of Electric Company and Certain of its Holding and Operating Subsidiaries	312	954

		Referred to on Page	Printed on Page
37	Total Operating Revenues Electric Company Subsidiaries including Non-Utility Companies	313	977
38	Organization and Capitalization of United Company and Certain of its Holding and Operating Subsidiaries	314, 317, 625	978
39	Organization and Capitalization of National Company and Certain of its Holding and Operating Subsidiaries	322	982
40	Total Operating Revenues National Company Subsidiaries including Non-Utility Companies	324	989
41	Stock Voted at Annual Meeting—American Company, Electric Company, National Company and United Company	326	990
42	Distribution of Stock Holdings of Voting Securities—American Company, Electric Company, National Company, and United Company	327	996
43	Officers and Directors Bond and Share System exclusive of American Gas System	328, 331, 337 342	1004
	Schedule A—Tabulation by name of officers and directors		1005
	Schedule B—Tabulation of chairmen of boards of directors or principal executive officers		1027
	Schedule C—Tabulation of members of executive committees of boards of directors		1032
	Schedule D—Tabulations summarizing positions held by directors		1035
44	Personnel of American Company	331	1040

		Referred to on Page	Printed on Page
45	Statements made by Officers of Bond and Share with respect to its relation to Holding Defendants and their Subsidiaries	331	1041
46	Personnel Charts of Operating Companies: Central Arizona Light & Power Company, Minnesota Power & Light Company and Pennsylvania Power & Light Company	338	2096
47	Stock Ownership of Directors of Major Operating Companies	342	1051
48	Excerpts from Minutes of Bond and Share Authorizing Incorporation of Ebasco	353	1052
49	Excerpts from Minutes Relating to Organization of Ebasco	356	1054
50	Bond and Share Letter Advising of Organization of Ebasco	356	1058
51	Board of Directors and Officers of Ebasco: Positions held by them in the Bond and Share System, January 1, 1936	357	1061
52	Personnel of Bond and Share ..... May 1, 1936	359	1065
53	Personnel of Ebasco May 1, 1936	359	1066
54	Ebasco and Phoenix Functional Charts .. General Ebasco Chart, Detailed Ebasco Chart and Phoenix Chart	362, 386	2102
54A	Blanket Insurance Contracts obtained for Serviced Companies	374	1071
55	Phoenix Construction Contract ..... (1936 form)	387, 391	1072
56	Ebasco Services Incorporated Balance Sheet and Income and Expense Statement	392	1082

		Referred to on Page	Printed on Page
57	Excerpts from Minutes Relating to Payment of Service Fees by American Company	395	1087
58	Service Contract with Carolina Power and Light Company	397	1089
59	Service Contract between American Company and Pacific Power and Light Company	397	1096
60	Service Contract with National Company	398	1101
61	Bond and Share Service Contract with Serviced Operating Companies (1922 form)	399	1130
62	Bond and Share Service Contract with Serviced Operating Companies (Form used November 25, 1935)	356, 391, 399	1153
63	Holding Company Service Contract (Form used just prior to November 25, 1935.)	400	1189
64	Bond and Share Functional Charts. Executive and Major Divisions. Operating Divisions	401	2108
65	Phoenix Supervision Contract (Form used in 1936)	404	1208
66	Phoenix Construction Contract (Form used until 1932)	404	1218
67	Accounting Bulletin	406	1230
68	Financial and Operating Report	366, 407	1242
69	Letter to Ebasco commenting on Operating Report	366, 407	1282
70	Revision of Report Forms by Ebasco	366, 407	1288
71	Cash Situation Report Form and Instructions	366, 374, 408	1296

		Referred to on Page	Printed on Page
72	Cash Control and Conservation Report	366, 374, 408	1301
73	Construction Budget Explanations and Instructions for use and Specimen Report Form	366, 374, 408	1314
74	Construction Budget Recommendation Form	366, 374, 408	1376
75	Expenditure Requisition System	366, 374, 409	1378
76	Sales Budget	366, 374, 409	1386
77	Operating Budget	366, 374, 409	1401
78	Cash Budget	366, 374, 409	1420
79	Master Budget	366, 374, 410	1435
80	Recommended Classification of Accounts	366, 410	1443
81	Tax Report	366, 410	1448
82	Bibliography of Material distributed to all or substantially all Serviced Companies by Bond and Share and Ebasco during year 1935	410	1456
83	Index of Engineering Specifications	369, 411	1543
84	Index Engineering Reports and Letters	370, 411	1552
85	Purchases negotiated for Serviced Companies by Bond and Share (1929-1934)	371, 373, 411	1588
	Schedule A—Volume of Purchases 1929-1934		1589
	Schedule B—Volume Purchase Contracts		1590
	Schedule C—Special Contracts		1599
86	Apparatus Exchange: Bond and Share and Ebasco	411	1605

		Referred to on Page	Printed on Page
87	Contract with General Electric Company (1912)	412	1606
88	Contract with General Electric Company (In effect in 1936)	412	1611
89	Contract with Westinghouse Company (In effect in 1936)	412	1628
90	Construction Work for Serviced Companies (1925-1935)	413	1640
91	Services Rendered to Idaho Power Company	389, 413	1648
92	Construction and Reconstruction: Kansas Gas & Electric Company	413	1768
93	Income and Expenses of Bond and Share (1926-1935)	414	1810
	Schedule A—Summary. Income and Expenses		1811
	Schedule B—Bond and Share: Income from Holding Companies and their Subsidiaries in the United States...		1813
	Schedule C—Phoenix Engineering Corporation: Income and Expenses March 1, 1933 to December 31, 1935		1820
	Schedule D—Bond and Share: Expenses		1823
	Schedule E—Phoenix Utility Company: Income and Expenses 1926 to February 28, 1933		1829
94	Intercompany Loans: Bond and Share, American Company, Electric Company, National Company and subsidiaries...	419	1830

		Referred to on Page	Printed on Page
95	Bond and Share: Short Term Loans Arranged for Serviced Companies	419	1852
96	Sales of Bonds and Preferred Stocks negotiated by Bond and Share. (January 1, 1920—December 31, 1935)	421, 424, 467	1854
97	Sales of Preferred Stock of Companies in Customer-Ownership Campaigns upon which a Commission was received by Bond and Share	426, 467	1894
98	Bond and Share Personnel of Securities Department. (December 1, 1929)	427	1896
99	Organization of Operating Subsidiaries of American Gas	429, 432	1897
100	American Gas Stock Voted at Annual Meetings	433	1902
101	American Gas Officers and Directors	437	1904
102	American Gas Purchase Contracts	452	1910
103	American Gas and Subsidiaries Gross Purchases	452	1932
104	American Gas Apparatus Exchange	454	1939
105	American Gas Insurance Contracts	456	1940
106	Bibliography of Informational Material —American Gas	461	1941
107	American Gas Loans to Subsidiaries	467	1957
108	American Gas Income and Expenses	467	1958
109	Personnel of American Gas, February 1936	467	1960
110	Map of Service Areas of the Principal Electric Utility Systems in the United States	477	2112

	Referred to on Page	Printed on Page
111 Electric Operations of Subsidiaries of the Holding Defendants	490, 493, 496 498, 504, 505 507, 526, 530 537, 540, 542 553, 561, 570 572, 583, 586 587, 591, 593 597, 605, 607 609	1964
112 Electric Operations—Comparative Statement of United States totals with Operations of Subsidiaries of Major Holding Defendants. (1934)	490	2060
112A Maps of Electric Service Areas and Principal Generating Stations and Transmission Lines of Subsidiaries of Holding Defendants	490	2114 2116
113 Maps of Operating Company Systems:		
Map No. 1. Systems of Pacific Power & Light Company and Northwestern Electric Company	491	2118
Map No. 2. System of The Washington Water Power Company	491	2120
Map No. 3. System of The Montana Power Company	504	2122
Map No. 4. System of Minnesota Power & Light Company	508	2124
Map No. 5. System of Nebraska Power Company and Citizens Power & Light Company	511	2126
Map No. 6. System of Kansas Gas and Electric Co.	513	2128

	Referred to on Page	Printed on Page
Map No. 7. System of Florida Power & Light Co.	515	2130
Map No. 8. System of Central Arizona Light & Power Co.	516	2132
Map No. 9. Systems of Texas Power & Light Company and Texas Electric Service Co.	517, 518, 520 521	2134
Map No. 10. System of Dallas Power & Light Company	522	2136
Map No. 11. System of Utah Power & Light Company	523	2138
Map No. 12. System of Idaho Power Company	523	2140
Map No. 13. Systems of Arkansas Power & Light Co., Louisiana Power & Light Co., and Mississippi Power & Light Co.	535, 550	2142
Map No. 14. Systems of Memphis Power & Light Co. and West Tennessee Power & Light Co.	536, 552	2144
Map No. 15. System of Houston Lighting & Power Company	555	2146
Map No. 16. System of Birmingham Electric Company	557	2148
Map No. 17. Systems of Carolina Power & Light Co. and Tennessee Public Service Co.	558	2150
Map No. 18. System of Pennsylvania Power & Light Co.	570	2152

		Referred to on Page	Printed on Page
	Map No. 19. Systems of Appalachian Electric Power Company, The Ohio Power Company (in part), Kentucky & West Virginia Power Company, Kanawha Valley Power Company and Kingsport Utilities, Inc.	576	2154
	Map No. 20. Systems of Indiana & Michigan Electric Company, Indiana General Service Company, The Ohio Power Company (in part) and Wheeling Electric Company	576	2156
	Map No. 21. Systems of The Scranton Electric Co. and Atlantic City Electric Co.	605, 608	2158
114	Map of Principal Gas Operations of Subsidiaries of Holding Defendants and of Certain Other Companies	620	2160
115	Communities Served with Gas at Retail. (December 31, 1935)	622	2063
116	Maps of Natural Gas Operations of United Company and Portland Gas & Coke Company	622, 623, 626 633	2162 2164

Subject	*Page*
APPEAL PAPERS*	
Statement Under Rule 13	2167
Opinion of District Court	2172
Findings of Fact and Conclusions of Law	2214
Decree	2260
Petition for Appeal	2266
Assignment of Errors and Prayer for Reversal	2269
Order Allowing Appeal	2299
Undertaking for Costs on Appeal	2302
Citation	2305
Order Approving Stipulation of Facts as Statement of Evidence	2308
Praecipe	2309
Stipulation as to Transcript of Record	2313
Clerk's Certificate	2314
Proceedings in U. S. C. C. A., Second Circuit	2315
Opinion, Manton, J.	2315
Concurring opinion, Hand, J.	2334
Judgment	2335
Clerk's Certificate	2336
Order Allowing Certiorari	2336

* Volume VIII, Pages 2166-2314.

VOLUME IV.

Exhibit 1

RULE 3A-2 OF THE COMMISSION

1918

Washington

Acting pursuant to the authority conferred upon it by the Public Utility Holding Company Act of 1935, particularly Section 3(a) thereof, and finding that such action is not detrimental to the public interest or the interest of investors or consumers, the Securities and Exchange Commission hereby amends Rule 3A-2 to read as follows:

Rule 3A-2. *Exemption of holding companies.*

(a) Any holding company shall be exempt
1919 from any obligation, duty or liability imposed by the Act upon such company as a holding company, if—

(1) such holding company, and every subsidiary company thereof which is a public-utility company from which such holding company derives, directly or indirectly, any material part of its income, are predominantly intrastate in character and carry on their business substantially in a single State in which such
1920 holding company and every such subsidiary company thereof are organized;

or

(2) such holding company is predominantly a public-utility company whose operations as such do not extend beyond the State in which it is organized and States contiguous thereto.

(b) Such exemptions shall continue until termination of this rule by the Commission, by amendment or repeal thereof.

Exhibit 2

CIRCULAR TO UNITED STATES ATTORNEYS

1921

DEPARTMENT OF JUSTICE
WASHINGTON, D. C.

November 21, 1935.

CIRCULAR NO. 2780

To All United States Attorneys

1922

The Public Utility Holding Company Act of 1935 makes specified transactions by the use of the mails or instrumentalities of Interstate Commerce illegal for certain public utility holding companies after December 1, 1935, unless such companies are registered with the Commission.

The Edison Electric Institute, a trade organization, whose membership includes a number of utility holding companies, has announced that it has retained counsel to contest the constitutionality of the Act. Consequently, it is probable that a number of companies will fail to register under the Act.

1923

It is, of course, not the purpose of the Government to harass the utility industry with a needless multiplicity of suits. Equally, however, there is no public interest to be served by vexing the Government with a multiplicity of injunction suits which might embarrass and harass the Government in defending the constitutionality of the Act and which might result in the presentation of the issue of constitutionality on the basis of an inadequate record or a record not fairly typical of the situations covered by the Act.

Exhibit 2

1924 Section 18 of the Act places the duty of investigating violations of the Act upon the Securities and Exchange Commission, which may transmit evidence "to the Attorney General, who, in his discretion, may institute the appropriate criminal proceedings."

In enforcing the Act it is proposed promptly to institute civil proceedings against one or more large and important companies who may fail to register to enforce compliance with its provisions and to seek decisions from the Supreme Court sustaining the validity of the Act. In the meanwhile

1925 it is not proposed to institute criminal proceedings, and if later it should become necessary to institute criminal proceedings against any company, it is not the intention of this department to seek to exact penalties for earlier offenses which might unduly penalize the investors in the offending company.

In view of the foregoing, the Department suggests that you refrain from bringing or threatening to bring any criminal proceedings under the Act. If any injunction proceeding is instituted against you, you will thus be in a position to dis-

1926 claim any present threat of any criminal proceeding under such Act. Such disclaimer should be sufficient to dispose of any restraining order which may be sought against you under the authority of *Spielman Motor Sales Co.* v. *Dodge,* 295 U. S. 89, decided April 29, 1935; *Sparks* v. *Mellwood,* 74 F. (2d) 695 (C. C. A. 6th, 1934); *Richmond Hosiery Mills* v. *Camp,* 74 F. (2d) 200 (C. C. A. 5th, 1934); *Campbell* v. *Medalie,* 71 F. (2d) 671 (C. C. A. 2d,

1934); *McKee* v. *Rudolph,* 12 F. (2d) 148 (C. A. D. C., 1926); *Cave* v. *Rudolph,* 287 F. 989 (C. A. D. C., 1923). 1927

You will promptly inform this Department, nevertheless, of any action which may be instituted in your District, whether or not you are made a party, to attempt to test the validity of the Act.

HOMER CUMMINGS,
Attorney General.

1928

1929

Exhibit 3

1930

CIRCULAR TO UNITED STATES ATTORNEYS

DEPARTMENT OF JUSTICE
WASHINGTON, D. C.

December 7, 1935.

CIRCULAR NO. 2786

To All United States Attorneys

1931

1.) In Circular No. 2780, November 21, 1935, you were advised that the Government would promptly institute civil proceedings to enforce compliance with the Public Utility Holding Company Act of 1935; that in accordance with the discretion vested in the Attorney General under section 18 (f) of that Act, the Attorney General would not sanction the institution of criminal proceedings for violations of the Act before the validity of the Act was judicially determined by the Supreme Court, nor would he thereafter sanction the exaction of penalties for prior offenses; and

1932

that you should refrain from bringing or threatening to bring any criminal proceedings under the Act.

2.) On November 26, the Government instituted a civil suit in the Southern District of New York against Electric Bond and Share Company and five of its principal subsidiary holding companies to enforce compliance with the Act, and shortly thereafter consented to the intervention in that

suit of sixteen additional subsidiary holding companies in the Electric Bond and Share system. The major issues concerning the constitutionality of the Act, in so far as such issues may legally be raised at this time, will be promptly, effectively, and fairly tested and adjudicated in this suit. 1933

3.) The Attorney General and the Securities and Exchange Commission have taken the position, on the authority of *Union Pacific R. R. Co.* v. *Public Service Commission,* 248 U. S. 67; *Terral* v. *Burke Construction Co.,* 257 U. S. 529; *Power Manufacturing Co.* v. *Saunders,* 274 U. S. 490, that registration does not constitute a waiver of any constitutional rights. In its Holding Company Act, Release No. 22, November 22, 1935, the Securities and Exchange Commission reiterated that "the Commission under its rule-making power expressly permits the registrant to reserve his constitutional rights," and further announced that "the Commission is prepared to go further and accept a notification that expressly stipulates that the notification of registration will at the option of the registrant be deemed void if registrant's reservation of its constitutional rights is adjudged void or ineffective." 1934 1935

4.) Despite the efforts of the Government to test the validity of the Act in an orderly and economical manner, and in the meanwhile to safeguard every legal and constitutional right of the private interests affected, not only have a multitude of unnecessary suits been brought against government officials, but a number of stockholders' suits have

been brought against various companies with a
1936 view to testing the constitutionality of the Act in proceedings in which the Government or its officers are not even parties. In light of the action taken by the Government to safeguard the rights and interests of both registering and non-registering companies, it may be questioned whether such stockholders' suits are brought in good faith and are free from collusion as is required under Equity Rule 27 as interpreted by the Supreme Court. *Corbus* v. *Gold Mining Co.*, 187 U. S. 455; *Wathen* v. *Jackson Oil & Refining Co.*, 235 U. S. 635. It is
1937 true that there are cases where in the absence of collusion a stockholder has been allowed to sue to enjoin the payment of an allegedly unconstitutional tax where the company is threatening to pay the tax without protest and thereby (under the law then in force) threatening to deprive itself of any opportunity of subsequently recovering the tax. *Pollock* v. *Farmers Loan & Trust Co.*, 157 U. S. 429; *Brushaber* v. *Union Pacific Railroad Company*, 240 U. S. 1. But such cases are not at all comparable to an action by a stockholder to enjoin the simple act of registration which involves no waiver of any
1938 constitutional right. The only other cases where such stockholders' suits have been permitted, *Smith* v. *Kansas City Title and Trust Co.*, 255 U. S. 180, and *Hill* v. *Wallace*, 259 U. S. 44, are similarily inapplicable, for in each, if the statute challenged were unconstitutional, the action of the Directors sought to be enjoined was unlawful under state law or a clear abuse of their powers of management.

5.) The Government takes the position that any

action by a stockholder to enjoin or to compel registration cannot bring into issue the question of constitutionality, but at most only the question of the good faith and prudent conduct of the management. The Government at the present time does not plan to intervene or take any part in any action brought by a stockholder to test the constitutionality of the Act.

1939

6.) Inasmuch as it will in many cases be impossible for the District Attorneys to know of the existence of these suits, you are requested to bring this circular to the attention of the Circuit Judges in your circuit and to the District Judges in your district so that they may be apprised of the Government's position in the event that any such stockholders' suits come before them.

1940

HOMER CUMMINGS,
Attorney General.

1941

Exhibit 4

CIRCULAR TO POSTMASTERS

1942 OFFICE OF THE POSTMASTER GENERAL,

Washington, December 4, 1935.

The Public Utility Holding Company Act of 1935 makes it unlawful for certain holding companies to use the mails for specified purposes after December 1, 1935, unless such companies are registered with the Securities and Exchange Commission. It is probable that a number of such holding companies will not register under the act.

1943 The Attorney General in Department of Justice Circular No. 2780, sent to all United States attorneys on November 21, 1935, and the Securities and Exchange Commission in its Holding Company Act, Release No. 22 of November 22, 1935, have announced that it is not the intention of the Government to institute criminal proceedings under the act pending the authoritative adjudication of civil proceedings which will promptly be instituted by the Government under section 18 (f) of the act against one or more representative companies to compel compliance with the

1944 act.

Whatever may be the authority, if any, of the Postmaster General to exclude from the mails matter sent in violation of the act, the Postmaster General does not intend to exclude any company from using the mails, at least not before the validity of the act is judicially determined by the Supreme Court. You will accordingly take no steps to exclude unregistered holding companies from the use of the mails.

JAMES A. FARLEY,
Postmaster General.

Exhibit 5

RULE 4 OF THE COMMISSION

Acting pursuant to the authority granted by Section 20 of the Public Utility Holding Company Act of 1935, and finding such action necessary and appropriate in the public interest and for the protection of investors and consumers, the Securities and Exchange Commission hereby adopts the following rules: 1945

Rule 4. *Reservation of constitutional or legal rights.*[1]

Any person filing, signing, or certifying to, any notification, statement, application, declaration, report, or other document pursuant to the Act, the Rules and Regulations, or any order of the Commission under the Act or the Rules and Regulations, may include therein in behalf of such person or of any other person affected thereby an express reservation of, and refusal to waive, any constitutional or legal rights. If the reservation or refusal to waive asserted by or on behalf of any such person or persons shall be held invalid or inoperative by any court of competent jurisdiction, such filing, signing, or certifying may, at the option of any such person or persons, be deemed to have been void and of no effect from any date specified in written notice given to the Commission, by or in behalf of such person or persons, except that the validity of transactions which otherwise might be impaired by reason of the voidance and ineffectiveness of such filing, signing or certifying, shall not be affected thereby. 1946 1947

The acceptance of any order, rule or regulation, or the compliance with any provision of the Act, of the Rules and Regulations, or of any order or direction of the Commission shall not be deemed a waiver of any constitutional or legal rights.

[1] The text of this rule contains the amendments adopted by the commission on Nov. 22, 1935.

Exhibit 6

1948 **PRESS RELEASE OF THE COMMISSION NOV. 22, 1935**

The Securities and Exchange Commission today officially authorized the issuance of the following statement:

(1) The Public Utility Holding Company Act of 1935 makes specified transactions by the use of the mails or instrumentalities of Interstate Commerce illegal for certain public utility holding companies after December 1, 1935, unless such
1949 companies are registered with the Commission. To date the number of notifications of registration filed under the Act has been negligible. The Edison Electric Institute, a trade organization, whose membership includes many public utility holding companies subject to the Act, has announced that it has retained counsel to contest the constitutionality of the Act.

(2) Section 18 of the Act authorized the Commission to enforce compliance with the Act. And it is the purpose of the Commission to proceed
1950 promptly with the administration and enforcement of the law.

(3) However, it is the purpose of the Commission to proceed with the enforcement of the Act in an orderly and economical manner. The Commission will not harass the industry with a multiplicity of suits. And the Commission will resist any effort that may be made to vex the Government with a multiplicity of suits or to provoke litigation with a view of presenting the issue of

constitutionality on the basis of an inadequate record or a record not fairly typical of the situations covered by the Act. 1951

(4) If there is a general failure to register under the Act, the Commission will proceed promptly to bring civil proceedings against one or more large and important companies who may fail to register to enforce compliance with the Act and to seek decisions from the Supreme Court sustaining its validity. In the meanwhile, at least for the immediate future and until further notice, the Commission does not intend to make any recommendations to or requests upon the Department of Justice for the institution of proceedings to enforce criminal liabilities under the Act. The Commission understands that the Attorney General has sent a circular to District Attorneys setting forth the attitude of the Department of Justice. 1952

(5) Counsel for the Commission is firmly of the opinion that registration does not constitute a waiver of any constitutional right which the registering company may have. And the Commission under its rule-making power expressly permits the registrant to reserve his constitutional rights. The Commission is prepared to go further and accept a notification that expressly stipulates that the notification of registration will, at the option of the registrant, be deemed void if registrant's reservation of its constitutional rights is adjudged void or ineffective. No possible ground in reason remains for any company to fail to file a simple notification and registration under these circumstances as a sheer precautionary matter for the protection of its investors. 1953

Exhibit 7

1954

NOTIFICATION OF REGISTRATION

As adopted Oct. 7, 1935

File No. _____

Form U-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C.

Notification of Registration of Public Utility Holding Company Pursuant to Section 5(a) of Public Utility Holding Company Act of 1935

1955

(See instructions beginning on Page 4 *)

The undersigned holding company hereby submits its notification of registration to the Securities and Exchange Commission pursuant to Section 5(a) of the Public Utility Holding Company Act of 1935.

1. Exact name of registrant.
2. Address of principal executive office.
3. Name and address of person authorized to receive notices and communications from the Securities and Exchange Commission.

1956

4. (a) Form of organization. (Corporation, business trust, partnership, etc.)

   (b) The State or other sovereign power under the laws of which the registrant was created or organized.

* These instructions are not printed in this exhibit.

Financial structure of registrant and it subsidiaries, as of .....
(date)

(1) Name of Company	(2) State of Organization	(3) Kind of Business	(4) Total Amount of Funded Debt Outstanding	(5) Total Amount of Preferred Stock Outstanding	(6) Total Amount of Common Stock Outstanding	(7) Amount of Voting Stock Owned, Controlled, or Held With Power to Vote Within the System
			1959		1958	1957

Exhibit 7

Exhibit 7

6. Officers and directors of registrant.

(1) Name	(2) Title	(3) Names of subsidiary companies in which positions as officer or director are held and designation of position in each case

.....
(Signature of registrant)

.....
(Date)

By.....
(Name) (Title)

(Seal)

Attest

.....
(Name) (Title)

EXHIBITS

Exhibit A. Intercorporate chart of registrant and subsidiaries.

Exhibit B. Map in simple form showing electrical system in United States of registrant and subsidiaries.

Exhibit C. Map in simple from showing gas system in United States (both natural and manufactured) of registrant and subsidiaries.

Exhibit 8

PUBLIC UTILITY HOLDING COMPANY BILL WITH AMENDMENTS PROPOSED BY COMMITTEE OF PUBLIC UTILITY EXECUTIVES, MAY 3, 1935, AS SET FORTH IN SECTION 13 OF THE STIPULATION [1]

74TH CONGRESS
1ST SESSION

S. 1725

IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 1935

Mr. WHEELER introduced the following bill; which was read twice and referred to the Committee on Interstate Commerce

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A BILL

To provide for the control [*and elimination*] of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate

---

[1] Bold face print indicates additions suggested by the Committee of Utility Executives. Italicized print enclosed in brackets indicates deletions suggested by the Committee of Utility Executives. Title II, with suggested amendments thereto, is omitted from this exhibit.

Exhibit 8

the transmission and sale of electric energy in
1966 interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

SECTION 1. This Act may be cited as the "Public
1967 Utility Holding Company Act of 1935."

NECESSITY FOR CONTROL OF HOLDING COMPANIES

SEC. 2. (a) Public utility holding companies and their subsidiary companies are affected with a national public interest in that, among other things—

(1) Their securities are widely marketed and distributed by means of the mails and instrumentalities of interstate commerce;

1968 (2) Their service, sales, construction and other contracts and arrangements are made and performed by means of the mails and instrumentalities of interstate commerce;

(3) Their subsidiary public utility companies sell and transport gas and electric energy by the use of means and instrumentalities of interstate commerce;

Exhibit 8

[(4) *Their practices and control over subsidiary companies materially affect the interstate commerce in which those companies engage; and*

(5) *Their activities extending over many States are not susceptible to effective control by any State and make difficult, if not impossible, effective State regulation of public-utility companies.*]

(b) The national public interest requires the exertion of Federal control over the transactions and practices of public utility holding companies and their subsidiary companies and affiliates, where such companies or subsidiaries or affiliates operate or market securities, in interstate commerce or through the mails, because as disclosed by the reports of the Federal Trade Commission and otherwise—

(1) The securities of such public utility holding companies, subsidiary companies, and affiliates are sold to a large number of investors in different States;

(2) Such investors cannot **always** obtain the information necessary to appraise the financial position or earning power of such issuers because of the absence of uniform standard accounts;

(3) Such securities are **often** issued without the approval or consent of the States having jurisdiction over subsidiary public-utility companies;

(4) Such securities [*are often*] **have in some cases been** issued upon the basis of fictitious asset values and of paper profits from inter-company

transactions and **hence** do not accurately reflect the
1972 sums invested in underlying public-utility properties;

(5) Such securities [*are often*] **have in some cases been** issued in anticipation of excessive revenues from subsidiaries which if realized would burden consumers, and the reduction of which, in the course of State regulation of subsidiary public-utility companies, would cause loss to investors who have been led to believe that such revenues are a legitimate part of the issuer's income;

1973 (6) Such securities, when improvidently issued, subject subsidiary public-utility companies to the burden of supporting an overcapitalized superstructure to the detriment of investors and consumers and tend to prevent voluntary rate reductions, which over a period of time might promote a greater and more economic use of gas and electric energy and thereby strengthen subsidiary public-utility companies;

(7) Subsidiary public-utility companies **have in some cases been** [*are often*] subjected to excessive
1974 charges for services, construction work, equipment, and materials to the detriment of investors and consumers;

(8) Subsidiary public-utility companies often enter into transactions with affiliates in which the absence of arm's length bargaining **may** operate[*s*] to the detriment of investors and consumers;

Exhibit 8

(9) Control of subsidiary public-utility companies throughout the United States has often been used to secure to holding companies, their affiliates, and subsidiary construction companies, [*a substantial part of all*] construction work for public-utility companies in restraint of free and independent competition in that field;

(10) Service, management, construction, and other contracts involve the allocation of charges among subsidiary public-utility companies in different States and present problems of regulation which cannot always be dealt with effectively by the States without the assistance of the Federal Government;

(11) Control of subsidiary public-utility companies materially affects the accounting practices and rate, dividend, and other policies of such companies, thereby in many instances complicating and in some instances obstructing State regulation of such subsidiary companies;

(12) The growth and extension of holding companies in [*many*] some cases [*bear*] have borne no relation to the economies of management and operation [*or to the integration and coordination of related properties,*] but have been influenced by a desire for economic power and security profits; [*and have tended toward the concentration and monopolization in a few holding company systems of control of gas and electric utility companies to the detriment of investors, consumers, and the general public;*] and

1978 (13) The abuses above enumerated, [*are so*] commonly associated with the activities of **some** public utility holding companies, [*and have been so persistent and so wide-spread that they*] necessitate legislation to control [*and eliminate*] the holding company [*as an artificial corporate device inherently injurious to*] **in the interest of** investors, consumers, and the general public.

1979 (c) It is hereby declared to be the policy of this Act, in accordance with which policy all the provisions of this Act shall be interpreted, to meet the problems and eliminate the evils connected with the public-utility holding company as enumerated in this section; and for the purpose of effectuating such policy to **regulate public utility holding companies and to secure** [*compel*] the simplification of public-utility holding-company systems **to the extent that they are detrimental to the interests of investors or consumers.** [*and the elimination therefrom of properties not economically and geographically related in operations, and to provide at the end of five years for the abolition of the public-utility holding company.*]

1980 DEFINITIONS

SEC. 3. (a) When used in this Act, unless the context otherwise requires, the term—

(1) "person" means an individual or company;

(2) "company" means a corporation, a partnership, an association, a joint-stock company, a business trust, an organized group of persons, whether

incorporated or not, or any receiver, trustee, or other liquidating agent of any of the foregoing;

(3) "electric-utility company" means any company which owns or operates facilities for the generation, transmission, or distribution of electric energy and which transmits, sells, distributes, or furnishes electric energy **in the United States** for a charge; but does not mean a company which sells or distributes electric energy solely for the use of its tenants and not for resale;

(4) "gas-utility company" means any company which owns or operates facilities for the production, transportation, or distribution of natural or manufactured gas, and which transports, distributes, sells, or furnishes such gas for light, heat, or power **in the United States** for a charge; but does not mean a company whose gas business is confined solely to the production, transportation, sale, or distribution of gas in enclosed portable containers;

(5) "public-utility company" means an electric-utility company and/or a gas-utility company;

(6) "Commission" means the Securities and Exchange Commission;

(7) "holding company" means (A) any company which, either alone or in conjunction and pursuant to an arrangement or understanding with one or more other persons, directly or indirectly, **actually** controls a public-utility company, whether such control is exercised through one or more intermediary persons or by any means or device whatsoever;

and (B) any intermediary company through which
1984 such control is exercised; **provided, however, that the term "holding company" shall not include (i) any company all of the physical public-utility properties of which and of all of its public-utility subsidiary companies are located within a single State or (ii) any company which is primarily a public-utility company even though it controls one or more other public-utility subsidiary company;** [*and (C) any person or persons which the Commission determines, after notice and opportunity for hearing, to exercise such a material influence over the management or policies of any public utility or*
1985 *holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person or persons should be deemed a holding company or companies for the purposes of this Act.*]

(8) "subsidiary company" of a holding company means (A) any **public-utility** company which such holding company, directly or indirectly, either alone or in conjunction and pursuant to an arrangement or understanding with one or more other persons, **actually** controls, **and** (B) any intermediary com-
1986 pany through which such control is exercised, [*and (C) any company over which such holding company exercises a material influence, as determined under clause (C) of paragraph 7 of this subsection;*]

(9) "holding company system" means any holding company together with all its subsidiary companies; [*and all mutual service companies (as defined in paragraph 13 of this subsection) of which such holding company or any subsidiary company*

thereof is a member company (as defined in paragraph 14 of this subsection);] 1987

(10) "associate company" of a company means any company in the same holding company system with such company;

(11) "affiliate" of a specified company means—

(A) any person that owns, holds, or controls, directly or indirectly, 5 per centum or more of the voting securities of such specified company;

1988

[*(B) any person that owns, holds, or controls, directly or indirectly, 5 per centum or more of the voting securities of any company which is an affiliate of such specified company under clause (A) of this paragraph or which becomes an affiliate thereof by virtue of this clause;*]

(C) any company 5 per centum or more of whose voting securities are owned, held, or controlled, directly or indirectly, by such specified company; [*or by any person that is an affiliate of such specified company under clause (A) or (B) of this paragraph;*] 1989

(D) any individual who is an officer or director of such specified company or of any company which is an affiliate thereof under clause (A) [*or (B)*] of this paragraph;

1990 [*(E) any company which has one or more officers or directors in common with such specified company; and*

(F) any person that the Commission determines, after notice and opportunity for hearing, to stand in such relation to such specified company that there is an absence of arm's length bargaining in transactions between them so as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person should be deemed an affiliate of such specified company for the

1991 *purposes of this Act;*]

(12) "registered holding company" means a holding company registered under section 5 of this Act and any receiver, trustee, or other liquidating agent of any such company;

[*(13) "mutual service company" means a company approved as a mutual service company under section 13 of this Act;*

(14) *"member company" means a company which*

1992 *is a member of an association or group of companies mutually served by a mutual service company;*]

(15) "director" means any director of a corporation or any individual who performs similar functions in respect of any company;

(16) "security" means any note, [*draft,*] stock, treasury stock, bond, debenture, certificate of interest, or participation in any profit-sharing agreement

or in any oil, gas, other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, [*receiver's or trustee's certificate,*] or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, [*guaranty of*] or warrant or right to subscribe to or purchase, any of the foregoing; 1993

(17) "voting security" means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a company; or any security issued under or pursuant to any trust, agreement, or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are entitled to vote in the direction or management of the affairs of a company; 1994

(18) "capital assets" means the facilities of any electric utility company or gas utility company for the production, transmission, transportation, or distribution of electric energy or gas or any part thereof which may be operated separately for any one or more of such purposes; 1995

(19) "service contract" means any contract or agreement[, *or understanding*] whereby a person undertakes to sell or furnish any managerial, financial, [*legal,*] engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, or research, [*or any other*] service[, *information, or data*] for a charge;

1996 (20) "sales contract" means any contract or agreement [, *or understanding*] whereby a person undertakes to sell, lease, or furnish any goods, equipment, materials, supplies, appliances, or other property, other than electric energy or natural or manufactured gas, for a charge;

(21) "construction contract" means any contract or agreement [, *or understanding*] for the construction, extension, improvement, maintenance, or repair of the facilities or any part thereof of a company for a charge;

1997 (22) "buy" or "purchase" includes any purchase, exchange, or other acquisition and any contract to buy, purchase, or otherwise acquire;

(23) "sale" or "sell" includes any sale, exchange, pledge, or other disposition, and any contract to sell, pledge, or otherwise dispose of;

(24) "State" means any State of the United States or the District of Columbia;

(25) "United States" means the States;

1998 (26) "State commission" means any commission, board, agency, or officer, by whatever name designated, of a State, municipality, or other political subdivision of a State which under the laws of such State has jurisdiction to regulate public-utility companies;

(27) "State securities commission" means any commission, board, agency, or officer, by whatever

name designated, other than a State commission as defined in paragraph (26) of this subsection, which under the laws of a State has jurisdiction to regulate, approve, or control the issue and/or sale of a security by a company; 1999

(28) "interstate commerce" means trade, commerce, transportation, transmission, or communication among the several States, or between any foreign country and any State, or between any State and place outside thereof.

(b) No person shall be deemed to be a holding company under [*clause* (*C*)] of paragraph 7 of subsection (a) of this section or an affiliate under [*clause* (*F*) *of*] paragraph 11 of said subsection, until the Commission, after notice and opportunity for hearing, has issued an order declaring such person to be a holding company or an affiliate. Such an order shall not become effective for at least thirty days after the mailing of a copy thereof to the person thereby declared to be a holding company or affiliate. The Commission, on its own motion or upon application of any person affected by such order, after notice and opportunity for hearing, may revoke, suspend, or modify any such order whenever in its judgment the circumstances warrant such revocation, suspension or modification. 2000 2001

(c) No provision in this Act shall apply to, or be deemed to include, the United States, a State, or any municipality or other political subdivision of a State, or any agency, authority, or independent establishment of any of the foregoing, or any agency which is wholly owned, directly or indirectly there-

by, or any officer, agent, or employee thereof acting
2002 as such in the course of his official duty, unless such provision makes specific reference thereto.

TRANSACTIONS BY UNREGISTERED HOLDING COMPANIES

SEC. 4. (a) After October 1, 1935, unless a holding company is registered under section 5, it shall be unlawful for such holding company, directly or indirectly—

(1) To sell, transport, transmit, or distribute, or own or operate, directly or indirectly, any facili-
2003 ties for the transportation, transmission, or distribution of, gas or electric energy in interstate commerce;

(2) To negotiate, enter into, or take any step in the performance of any service, sales, or construction contract by use of the mails or any means or instrumentality of interstate commerce;

(3) To market or distribute or make any public offering for sale or exchange of any security by use of the mails or any means or instrumentality of in-
2004 terstate commerce, or to sell any security to any person if such holding company has reason to believe that such security will be marketed, distributed, or made the subject of a public offering by use of the mails or of any means or instrumentality of interstate commerce;

(4) To acquire or negotiate for the acquisition of any **voting** security **of a holding company or of a public-utility company** or capital assets, [*other*

than a security permitted to be acquired under subsection (c) of section 9,] by use of the mails or any means or instrumentality of interstate commerce; 2005

(5) To engage in any business in interstate commerce; or

(6) To own, hold, or control any security of a subsidiary company or affiliate thereof that does any of the foregoing.

[(b) Every holding company which has presently outstanding any security which, by use of the mails or any means or instrumentality of interstate commerce, has been marketed, distributed, or made the subject of a public offering subsequent to January 1, 1925, and all of which security is not owned and held on the date of the enactment of this Act by persons resident in the State in which such holding company is organized, shall register under section 5 of this Act on or before October 1, 1935. 2006

(c) The Commission shall have power conditionally or unconditionally to exempt any holding company from the provisions of this section if it deems such exemption necessary or appropriate in the public interest and not detrimental to the interest of investors or consumers, upon a showing that the business of such holding company and of every subsidiary company thereof is exclusively intrastate in character and confined to a single State in which such holding company and all of its subsidiary companies are organized. The Commission may, after notice and opportunity for hearing, withdraw such exemption whenever in its judgment the circumstances warrant such withdrawal.] 2007

Exhibit 8

REGISTRATION OF HOLDING COMPANIES

2008

SEC. 5. (a) Any holding company or any person purposing to become a holding company may apply for registration by filing with the Commission a registration statement in such form as the Commission may, by rules and regulations, prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers. Such registration statement shall include—

[(1) *An agreement (which shall not be construed as a waiver of any constitutional right or any right*
2009 *to contest the validity of any rule or regulation) by the registrant to comply with, and so far as is within its power, to enforce compliance by its officers, directors, security holders, and associate companies, with the provisions of this Act and any amendments thereto and with any rules and regulations thereunder;*]

(2) Such copies of the charter or articles of incorporation, partnership, or agreement, with all amendments thereto, and the bylaws, trust indentures, mortgages, underwriting arrangements, vot-
2010 ing-trust agreements, and similar documents, by whatever name known, of or relating to the registrant or any of its associate companies as the Commission may, by rules and regulations, require as necessary or appropriate in the public interest or for the protection of investors or consumers;

(3) Such information in such form and in such detail and copies of such documents of or relating to the registrant and its associate companies as the

Exhibit 8

Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors or consumers in respect of— 2011

(A) The organization and financial structure of such companies and the nature of their business;

(B) The terms, position, rights, and privileges of the different classes of their securities outstanding;

(C) The terms and underwriting arrangements under which their securities, during not more than the [*five*] **three** preceding years, have been offered to the public or otherwise disposed of and the relations of underwriters to and their interest in such companies; 2012

(D) The directors and officers of such companies, their remuneration, their interest in the securities of, their material contracts with, and their borrowings from any of such companies;

2013

(E) The names of all security holders of record (or otherwise known to the registrant) owning, holding, or controlling [*1*] **5** per centum or more of any class of security of any of such companies, and their interest in the securities of, relations to, and material contracts with any of such companies;

(F) The remuneration exceeding [*$10,000*]

2014 **$20,000 per annum to persons other than directors and officers;**

(G) Bonus and profit-sharing arrangements;

(H) Material contracts, not made in the ordinary course of business, and service, sales, and construction contracts;

(I) Options in respect of securities;

(J) Balance sheets for not more than [*five*] three preceding fiscal years, certified, if required by the rules and regulations of the Commission, by an independent public accountant;

2015

(K) Profit and loss statements for not more than the [*five*] three preceding fiscal years, certified, if required by the rules and regulations of the Commission, by an independent public accountant;

(4) Such further information or documents regarding the registrant or its associate companies or the relations between them as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors or consumers.

2016

(b) If in the judgment of the Commission any information required under this section is inapplicable to any specified class or classes of registrants, the Commission shall require in lieu thereof the submission of such other information of

comparable character as it may deem applicable to such class or classes of registrants. **The commission may by regulation prescribe that any registration statement filed under this title may incorporate by reference such information and documents as shall theretofore have been filed with the Commission by the registrant pursuant to Section 12 of the Securities Exchange Act of 1934.** 2017

(c) The Commission shall not permit the registration of any person under this section which, subsequent to the date of the enactment of this Act, becomes a holding company through the acquisition of any security unless such acquisition shall have been approved by **a State commission or by** the Commission under section 10 of this Act or unless the Commission shall be satisfied that such acquisition was not made for the purpose of circumventing the provisions of this Act. 2018

(d) If it appears to the Commission that the person applying for registration has complied with the provisions of this Act and the rules and regulations thereunder, the Commission shall cause such person to be registered as a holding company under this Act. 2019

(e) Within thirty days after the filing of the registration statement, the Commission shall enter an order either granting or, after notice and opportunity for hearing, denying registration as a holding company unless the registrant shall withdraw its registration statement or consent to the Commission's deferring action thereon for a stated longer

2020 period. The filing with the Commission of a registration statement shall be deemed to have taken place upon receipt thereof. Amendments to a registration statement may be made upon such terms as the Commission may prescribe.

(f) The Commission, in accordance with such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors or consumers, may permit a person to be provisionally registered as a holding company for a period ending not later than July 1, 1936, without complying with the provisions of this sec-
2021 tion.

(g) A registered holding company, upon application in accordance with the rules and regulations of the Commission, [*and upon such terms as the Commission may deem necessary for the protection of investors and consumers,*] may withdraw its registration upon a showing that it has ceased to be a holding company.

UNLAWFUL SECURITY TRANSACTIONS BY REGISTERED HOLDING AND SUBSIDIARY COMPANIES

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SEC. 6. (a) Except when approval or consent of a State commission is required under the laws of such State or except when pursuant to a declaration effective under section 7, it shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly—

Exhibit 8

(1) To issue or sell any security of such company;

(2) To guarantee or assume any liability in respect of any security of a company; or

(3) To exercise any privilege or right to alter the priorities, preferences, voting power, or other rights of the holders of an outstanding security of such company.

(b) The provisions of subsection (a) of this section shall not apply to the issue, sale, or guaranty by a registered holding company or subsidiary company thereof of, or assumption of liability by any such company on, a note or draft (including the pledge of any of its own securities as collateral therefor) maturing not more than [*six*] twelve months, exclusive of days of grace, after the date thereof, or to any renewal thereof the maturity of which is likewise limited, and aggregating (together with all other then outstanding notes and drafts whose maturity is likewise limited as to which such company is primarily or secondarily liable) not more than [*5*] 20 per centum of the principal amount or par value of the other securities of such company then outstanding. In the case of securities having no principal amount or no par value, the value for the purposes of this subsection shall be the stated capital value thereof. [*fair market value as of the date of issue.*] The provisions of subsection (a) of this section shall not apply to the issue by a registered holding company or subsidiary company thereof of a security issued pursuant to the terms of any security outstanding on January 1,

2026 **1935 giving the holder of such outstanding security the right to convert such outstanding security into another security of the same issuer or of another person, or giving the right to subscribe to another security of the same issuer or of another person.** Within ten days after any such issue, sale, guaranty, assumption of liability or renewal, such holding company or subsidiary company thereof shall file with the Commission a certificate of notification in such form and setting forth such of the information required in a declaration under section 7 as the Commission may by rules and
2027 regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.

DECLARATIONS BY REGISTERED HOLDING AND SUBSIDIARY COMPANIES IN RESPECT OF SECURITY TRANSACTIONS

SEC. 7. (a) A registered holding company or subsidiary company thereof may file a declaration with the Commission regarding any of the acts enumerated in subsection (a) of section 6, upon the terms and conditions hereinafter provided in this section,
2028 in such form as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers. Such declaration shall include—

(1) Such of the information and documents which are required to be filed in order to register a security under section 7 of the Securities Act of 1933, as amended, as the Commission may by rules and regulations require as necessary or appropriate

in the public interest or for the protection of investors or consumers; 2029

(2) Such additional information, in such form and detail, and such documents regarding the declarant or any associate company thereof, the particular security and compliance with the applicable State laws as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors or consumers; and

(3) In the case of a registered holding company or subsidiary company thereof which is receiver or trustee, such additional information and documents regarding the appointment, qualification, and authority of such receiver or trustee and court authorization regarding such security as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors or consumers. 2030

(b) A declaration filed under this section shall become effective the [*thirtieth*] **twentieth** day after the filing thereof, unless the Commission shall by order permit it to become effective at an earlier date or unless the Commission within twenty days after the filing of such declaration shall have issued an order to the declarant to show cause why such declaration should become effective. Within ten days after an opportunity for hearing upon an order to show cause under this subsection, unless the declarant shall withdraw its declaration or consent to the Commission's deferring action thereon for a stated longer period, the Commission shall 2031

enter an order either permitting such declaration
2032 to become effective as filed or amended by the declarant or as directed to be amended by the Commission, or refusing to permit such declaration to become effective. The filing with the Commission of a declaration shall be deemed to have taken place upon receipt thereof. Amendments to a declaration may be made upon such terms and conditions as the Commission may prescribe.

(c) The Commission shall not permit a declaration regarding the issue or sale of a security to become effective unless such security, **if a stock,**
2033 **[***is (1) a common stock having a par value and being without preference as to dividends or distribution over, and having at least equal***] has unrestricted** voting rights, **and unless such security, if issued by a registered holding company, states plainly on the face thereof that it is issued by a public-utility holding company. [***with, any outstanding security of the declarant; (2) a bond secured by a first lien on physical property of the declarant or by an obligation of a subsidiary public-utility company of the declarant secured by a first lien on physical property of such public-utility com-*
2034 *pany; or (3) a receiver's or trustee's certificate duly authorized by the appropriate court or courts.***]**

(d) The Commission shall permit a declaration regarding the issue or sale of a security to become effective unless in the judgment of the Commission (1) the security is not reasonably adapted to the security structure of the declarant **[***and other companies in the same holding company system; (2) the*

security does not bear a proper relation to the sums prudently invested in the property of the declarant and its subsidiary public-utility companies; (3) financing by means of the declarant or by the issue of the particular security is not necessary or appropriate to the operations of a geographically and economically integrated public-utility system]; (4) the fees or commissions that may be paid, directly or indirectly, in connection with the issue, sale, or distribution of the security are excessive; or (5) the terms and conditions of the issue or sale of such security are contrary to the public interest or detrimental to the interest of investors or consumers. 2035

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(e) Notwithstanding the provisions of subsection [*s (c) and*] (d) of this section, the Commission, upon such terms and conditions as it may deem necessary or appropriate in the public interest or for the protection of investors or consumers, shall have power to permit a declaration to become effective regarding the issue or sale of a security the proceeds of which are to be used solely [*(1)*] for the purpose of refunding an outstanding obligation of the declarant evidenced by a security. [*and/or (2) for the purpose of financing the business of the declarant and/or a subsidiary company or companies thereof carried on as a public-utility company or companies exclusively in the State in which the declarant and/or such company or companies are organized, provided that such issue or sale have been expressly authorized by the State Commission of such State.*] 2037

(f) The Commission shall permit a declaration to become effective regarding the guaranty of, or as-

sumption of, liability on a security by a registered
2038 holding company or subsidiary company thereof, unless, in the judgment of the Commission, such guaranty or assumption of liability by the declarant [*is not necessary or proper for the economical and efficient conduct of the business of the declarant and its associate companies as a geographically and economically integrated public-utility system, or is not in*] **is contrary to** the public interest or **detrimental to the interest** [*for the protection*] of investors or consumers, or the financial condition of the company as to whose security liability is to be assumed or a guaranty executed is such as to constitute such
2039 guaranty or assumption of liability an undue risk for the declarant.

(g) The Commission shall permit a declaration to become effective regarding the exercise of a privilege or right to alter the priorities, preferences, voting power, or other rights of the holders of a security unless in the judgment of the Commission such exercise of such privilege is contrary to the public interest or unfair to investors or consumers.

[(*h*) *The Commission may permit a declaration*
2040 *to become effective subject to such terms and conditions as the Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers. Such terms and conditions, among other things, may require the elimination of such business practices as the Commission may deem contrary to the public interest or detrimental to the interest of investors or consumers; may require the granting of a preemptive right to*

security holders, irrespective of a previous waiver of such right; may prohibit the giving of options or prescribe the limits within which they may be given; and may condition the issue or sale of a security upon such requirements as to competitive bidding as the Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers.] 2041

(i) The Commission shall not permit a declaration to become effective regarding any security which is subject, under the laws of any State, to the jurisdiction of a State commission or a State securities commission unless the applicable State laws shall have been complied with. 2042

(j) On and after April 1, 1936, the Commission shall not permit to become effective a declaration by any holding company [*(other than a company exempted from registration by the Commission under subsection (c) of section (4)*] which has been a holding company for more than six months unless such company is registered under section 5 and has been so registered during the six months immediately preceding the filing of such declaration. 2043

(k) The Commission may by regulation permit a declaration with respect to any security, filed pursuant to this Section 7, to be accepted as a registration statement for such security filed pursuant to Section 6 of the Securities Act of 1933, as amended; provided the declarant shall have paid to the Commission the fees provided in subsection (b) of said Section 6.

Exhibit 8

RESTRICTION ON BUSINESS OF HOLDING COMPANIES

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SEC. 8. [*(a) After January 1, 1937, it shall be unlawful for any registered holding company to have any interest, directly or indirectly, through the ownership or control of securities by such holding company or by any of its subsidiary companies, or otherwise, in any business other than (1) the business of the production, generation, transportation, transmission, or distribution of gas and/or electric energy; (2) any other business carried on by a public utility company exclusively in a State or States where the carrying on of such business by such company is expressly authorized by the State Commission; and (3) such other business reasonably incidental to the foregoing as the Commission by rule, regulation or order may permit as necessary or appropriate in the public interest or for the protection of investors or consumers and not in contravention of the provisions of this Act.*

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(b) After January 1, 1937, it shall be unlawful for any registered holding company which, or any subsidiary company of which, is an electric utility company to own or operate, or to have any interest, directly or indirectly, through the ownership or control of securities by such holding company or any of its subsidiary companies, or otherwise, in any company which owns or operates, capital assets for the transportation of natural gas in interstate commerce, or for the production of natural gas.

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(c) After January 1, 1937, it shall be unlawful for any registered holding company which, or any subsidiary company of which, is a public-utility com-

pany organized or doing business in the United States to have any interest, directly or indirectly, through the ownership or control of securities by such holding company or by any of its subsidiary companies, or otherwise, in any public-utility company which is organized or doing business outside of the United States: Provided, however, That the Commission may conditionally or unconditionally exempt any such registered holding company from the provisions of this subsection, upon such terms and conditions as it may deem necessary or appropriate in the public interest or for the protection of investors or consumers, in respect of a public-utility company or companies organized or doing business outside of the United States in which such holding company has an interest if it finds that the operations of such public-utility company or companies are economically and geographically integrated with the holding company system of such registered holding company. The Commission may, after notice and opportunity for hearing, withdraw any such exemption whenever in its judgment the circumstances warrant such withdrawal.] 2047 2048

(d) After January 1, 1937, it shall be unlawful for any registered holding company to have any interest, directly or indirectly, through the ownership or control of securities by such holding company or by any of its subsidiary companies, or otherwise, in an electric-utility company and a gas-utility company serving substantially the same territory whenever the applicable State law prevents, or requires approval or authorization **for, such interest in the securities of** [*of, the ownership or operation of* 2049

2050 *the capital assets of*] such electric- and gas-utility companies by a single company, unless the State commission **or other proper authority** of such State shall [*expressly*] **have** approved such holding company's having such interest.

[(*e*) *If it shall be the opinion of the Commission that compliance by a registered holding company with any provision of this section within the time therein fixed would cause unnecessary injury to investors or consumers, the Commission, upon such terms and conditions as it may deem necessary or*
2051 *appropriate in the public interest or for the protection of investors or consumers, may postpone compliance with such provision for a period not extending beyond January 1, 1939.*]

ACQUISITION OF SECURITIES AND CAPITAL ASSETS

SEC. 9. (a) [*Except as provided in subsection* (*c*) *of this section,*] It shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to ac-
2052 quire, directly or indirectly, any **voting** securities or capital assets of another **holding company or public-utility** company **which is not in the same holding company system,** unless such acquisition **shall have** [*has*] been approved by the Commission under section 10 **or by a State commission under applicable State law.**

(b) **It shall be unlawful for any person, other than a registered holding company or subsidiary company thereof, by use of the mails or any means**

or instrumentality of interstate commerce, or otherwise, hereafter to acquire, directly or indirectly, more than 5 per centum of the voting securities of any public-utility company or of any holding company, unless such acquisition shall have been approved by the Commission under Section 9 of this title or by a State commission under applicable State law. [*Subsection (a) of this section shall not apply (1) the acquisition by a public-utility company of capital assets the acquisition of which has been expressly authorized by a State commission, or (2) the acquisition by a public-utility company of securities of a subsidiary public-utility company thereof: Provided, That both such public-utility companies and all other companies in the same holding company system are incorporated in the same State and are doing business exclusively in such State and that the acquisition of such securities has been expressly authorized by the State commission of such State.*

(c) *A registered holding company or a subsidiary companies thereof may invest its funds in (1) securities of, or securities the principal or interest of which is guaranteed by, the United States, a State, a municipality, or other political subdivision of a State, or any department or independent establishment of any of the foregoing, or agency or corporation which is wholly owned, directly or indirectly, thereby; and (2) such other readily marketable securities, within the limitation of such amounts, as the Commission may by rules and regulations permit as appropriate for investment of current funds.*]

Exhibit 8

APPROVAL OF ACQUISITION OF SECURITIES AND CAPITAL ASSETS

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SEC. 10. (a) [*A registered holding-company or a subsidiary company thereof*] **Any person** may apply for the approval of the acquisition of **voting** securities or capital assets **of a holding company or public-utility company,** [*and a person which will by the acquisition of securities become a holding company may apply for approval of such acquisition,*] upon the terms and conditions hereinafter provided in this section, by filing an application in such form as the Commission may by rules and

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regulations prescribe as necessary or appropriate in the public interest or for the protection of investors and consumers. Such application shall include—

1) In the case of the acquisition of securities, such information and copies of such documents as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors or consumers in respect of—

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(A) The security to be acquired, the consideration to be paid therefor, and compliance with the applicable State laws in respect of the issue, sale, or acquisition thereof;

(B) The outstanding securities of the company whose security is to be acquired, the terms, position, rights, and privileges of each class and the options in respect of any such securities;

(C) The names of all security holders of record (or otherwise known to the applicant) owning, holding, or controlling [*1*] 5 per centum or more of any class of security of such company, the officers and directors of such company, and their remuneration, security holdings in, material contracts with, and borrowings from such company and the offices or directorships held, and securities owned, held, or controlled, by them in other holding companies and public-utility companies; 2059

(D) The bonus, profit-sharing, and voting-trust agreements, underwriting arrangements, trust indentures, mortgages, and similar documents, by whatever name known, of or relating to such company; 2060

(E) The material contracts not made in the ordinary course of business, and the service, sales, and construction contracts of such company;

(F) The securities owned, held, or controlled, directly or indirectly, by such company; 2061

(G) Balance sheets and profit and loss statements of such company for not more than the three [*five*] preceding fiscal years, certified if required by the rules and regulations of the Commission by an independent public accountant; and

(H) Any further information regarding such

2062 company or its relations with the applicant [*company*] or any associate company thereof.

(2) In the case of the acquisition of capital assets, such information concerning such assets, the value thereof, and consideration to be paid therefor, the owner or owners thereof and their relation to, agreements with, and interest in the securities of, the applicant [*company*] or any associate company thereof as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors or consumers; and

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(3) If the applicant be not a registered holding company, such of the information and documents required for registration under section 5 as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors or consumers.

(b) The Commission shall approve the acquisition of securities or capital assets unless in the judgment of the Commission (1) such acquisition will tend to create monopoly or restraint of trade
2064 in the exercise of control of public-utility companies; (2) the consideration, including all fees, commissions, and other remuneration to whomsoever paid, to be given in connection with such acquisition is **excessive** [*not reasonable or does not bear a proper relation to the sums prudently invested in the property of the applicant and its subsidiary public-utility companies*]; or (3) such acquisition will **unduly** complicate the capital structure of the holding-company system of the appli-

cant, will be detrimental to the interest of consumers or will unfairly affect investors. [*The Commission may condition its approval of the acquisition of securities of another company upon a fair offer to purchase the securities of other security holders of such company.*] 2065

(c) Within [*thirty*] twenty days after the filing of an application under this section, the Commission shall enter an order either granting or, after notice and opportunity for hearing, denying approval of the acquisition unless the applicant shall withdraw its application or consent to the Commission's deferring action thereon for a stated longer period. The filing with the Commission of an application shall be deemed to have taken place upon receipt thereof. Amendments to an application may be made upon such terms and conditions as the Commission may prescribe. 2066

[*(d) Any order granting authority to acquire securities or capital assets under this section may prescribe such terms and conditions in respect of the acquisition of such securities or capital assets, including the price to be paid therefor, as the Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers or to give effect to the provisions of this Act.* 2067

(e) Notwithstanding the provisions of this section, the Commission shall not approve (1) the acquisition of securities or capital assets except (A) securities of a company engaged solely in, or capital assets for the conduct of, a business or businesses

2068 *in which it is lawful for a registered holding company to engage or have an interest under the provisions of section 8, and (B) securities or capital assets in respect of the acquisition of which there shall have been obtained from the Federal Power Commission a certificate that such acquisition will serve the public interest by advancing economy and efficiency in the operations of a geographically and economically integrated public-utility system; or (2) the acquisition of any securities or capital assets the acquisition, issue, or sale of which is subject, under the laws of any State, to the jurisdiction of a*
2069 *State Commission or State securities commission unless the applicable State laws have been complied with.*]

SIMPLIFICATION OF HOLDING COMPANY STRUCTURES; REORGANIZATION

SEC. 11. (a) **On or before December 31, 1936, every registered holding company and every subsidiary company thereof shall take such corporate action, including amendment of its charter or by-laws, as may be necessary in order to confer un-**
2070 **restricted voting rights upon all shares of its stock, irrespective of class.** [*It shall be the duty of the Commission to examine the corporate structure of every registered holding company and subsidiary company thereof, the relationships among the companies in the holding company system of every such company and the character of the properties owned thereby to determine the extent to which the corporate structure of such holding company system and the companies therein may be simplified, unnecessary complexities therein eliminated, and the*

properties thereof confined to those essentially related in operation and substantially contiguous in location.] 2071

(b) **For the purpose of encouraging the simplification of the corporate structures of holding companies and public-utility companies, from and after the effective date of this Act and until December 31, 1939, holding companies and public-utility companies, and holders of securities thereof, shall be exempt from all Federal taxes incident to any exchange or issue of securities or transfer or acquisition of assets, and any and all profits or gains resulting therefrom, whether by merger, consolidation, liquidation, sale or otherwise.** [*It shall be the duty of the Commission, after notice and opportunity for hearing—* 2072

(1) *To require every registered holding company and every subsidiary company thereof to dispose of any security of capital assets held in violation of any provision of this Act or any rule or regulation thereunder;*

(2) *Immediately after January 1, 1938, to require every registered holding company and every subsidiary company thereof to dispose of any securities or capital assets whenever it appears to the Commission that the continued ownership or control thereof by any such company is not necessary or appropriate to the operations of a geographically and economically integrated public-utility system;* 2073

Exhibit 8

2074 *(3) Immediately after January 1, 1938, to require every registered holding company and every subsidiary company of a registered holding company to be reorganized or dissolved whenever it appears to the Commission that the corporate structure or continued existence of any such company unduly or unnecessarily complicates the structure of the public-utility system of which it is a part or is detrimental to the subsidiary companies thereof or to investors or consumers: Provided, however, That if the Commission is of the opinion in any case that action by it under paragraph (2) or (3) of this subsection would cause*
2075 *unnecessary injury to investors or consumers, the Commission, upon such terms and conditions as it may deem necessary or appropriate in the public interest or for the protection of investors or consumers, may defer action in such case for a period not extending beyond January 1, 1940; and*

(4) Immediately after January 1, 1940, to require every registered holding company to dispose of securities or to be reorganized or dissolved insofar as may be necessary to make every such com-
2076 *pany cease to be a holding company: Provided, however, That the Commission, upon such terms and conditions as it may deem necessary or appropriate in the public interest or for the protection of investors or consumers, may permit a registered holding company to continue to be a holding company (A) if such registered holding company shall have obtained from the Federal Power Commission a certificate that the continuance of the holding company relation is necessary for the operation of a geographically and economically integrated public-*

utility system serving an economic district extending into two or more contiguous States or into a contiguous foreign country and the merger or consolidation of such registered holding company with its subsidiary company or companies is impossible under the applicable State or foreign law, or (B) if neither such registered holding company nor any subsidiary company thereof is a public-utility company organized or doing business within the United States. 2077

(c) The Commission may apply to a court, in accordance with the provisions of subsection (f) of section 18, to enforce compliance with any order under this section. Upon any such application, the court shall take possession and exclusive jurisdiction for the purposes of this Act of such assets of the company, wherever located, as may be held in contravention of such order, or, in the case of any order for reorganization or dissolution, possession, and exclusive jurisdiction for the purposes of this Act of the company and all of its assets, wherever located; and the court shall have jurisdiction, and it shall be the duty of the court, to constitute and appoint the Commission as sole trustee to administer the assets so possessed and the proceeds thereof as a trust estate for the benefit of the persons interested therein as their interests may appear. In any proceedings for the enforcement of an order of the Commission under this section, the Commission with the approval of the court shall have power to dispose of any or all of such assets and, subject to such terms and conditions as the court may prescribe, may make such disposition in accordance with a reorganization plan which shall 2078 2079

2080 *have been approved by the Commission after opportunity for hearing. Such reorganization plan may be prepared in the first instance by the Commission, or, subject to such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, by any person having a bona fide interest (as defined by the rules and regulations of the Commission) in the reorganization.*

(d) If, in the judgment of the Commission, any registered holding company or any subsidiary company thereof is insolvent or unable to pay its debts
2081 *as they mature, the Commission shall have power to institute proceedings for the reorganization of such company under section 77B of the Act of July 1, 1898, entitled "An Act to establish a uniform system of bankruptcy throughout the United States", as amended. In any such proceedings or in any other proceedings in a court of the United States, whether under said section 77B or otherwise, by whomsoever instituted, for the reorganization or liquidation of any registered holding company or subsidiary company thereof or in which*
2082 *a receiver or trustee of any such company or any assets thereof is appointed, the court, at the request of the Commission, shall have jurisdiction, and it shall be the duty of the court, to constitute and appoint the Commission as sole trustee or receiver, whether or not a trustee or receiver shall theretofore have been appointed. In any such proceedings a reorganization plan for a registered holding company or any subsidiary company thereof shall not become effective unless such plan shall have been approved by the Commission after*

opportunity for hearing prior to its submission to the court. Notwithstanding any other provision of law, any such reorganization plan may be prepared in the first instance by the Commission or, subject to such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, by any person having a bona fide interest (as defined by the rules and regulations of the Commission) in the reorganization. All fees, expenses, and remuneration paid in connection with any reorganization or liquidation of a registered holding company or subsidiary company thereof, whether under said section 77B or otherwise, shall be subject to the approval of the Commission. The Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceedings as the court may allow.

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(e) It shall be unlawful for any person to solicit or to permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, consent, authorization, power of attorney, deposit, or dissent in respect of any reorganization plan for any registered holding company or any subsidiary company thereof unless (1) such plan shall have been prepared by the Commission or such plan and such information regarding it and its sponsors as the Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers shall have been submitted to the Commission by a person having a bona fide interest (as defined by the rules and regulations of the Commission) in such reorganization; (2) a

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2086 *copy of a report which shall be made by the Commission after an opportunity for a hearing on such plan and other plans submitted to it, or an abstract of such report made or approved by the Commission, shall accompany each such solicitation; and (3) in accordance with such rules and regulations or orders as the Commission may prescribe or issue as necessary or appropriate in the public interest or for the protection of investors or consumers. Nothing in this subsection or the rules and regulations thereunder shall prevent any person from appearing before the Commission or any court through an attorney or proxy.*]

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INTERCOMPANY LOANS; [*DIVIDENDS*]; FEES; [*SALE OF SECURITIES AND CAPITAL ASSETS;*] **AND** PROXIES [*AND OTHER TRANSACTIONS*]

SEC. 12. (a) **Except when the approval of the Commission or of a State commission shall have been first obtained,** it shall be unlawful for any registered holding company, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly,
2088 to borrow or to receive any extension of credit or indemnity from any public-utility company in the same holding-company system or from any subsidiary company of such holding company.

(b) **Except when the approval of a State commission shall have been first obtained** it shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate com-

merce, or otherwise, directly or indirectly, to lend or in any manner extend its credit to or indemnify any company in the same holding-company system in contravention of such rules and regulations or orders as the Commission may prescribe or issue as necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this Act or the rules and regulations thereunder. 2089

[*(c) It shall be unlawful for any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to declare or pay any dividend on any security of such company or to acquire, retire, or redeem any security of such company, in contravention of such rules and regulations or orders as the Commission may prescribe or issue as necessary or appropriate to protect the financial integrity of public-utility systems, to safeguard the working capital of public-utility companies, or to prevent the payment of dividends out of capital or unearned surplus.*] 2090

(d) It shall be unlawful for any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to receive, directly or indirectly, any fee or commission in connection with the negotiation, effecting or performing of any security or other transaction for or by any company in the same holding-company system unless and to the extent authorized by the rules and regulations of the Commission as neces- 2091

2092 sary or appropriate in the public interest or for the protection of investors or consumers.

[(e) *It shall be unlawful for any registered holding company, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to sell any security or capital assets in contravention of such rules and regulations or orders regarding the consideration to be received for such sale, competitive bidding, fees and commissions, accounts, disclosure of interest, and similar matters as the Commission may prescribe or issue as necessary or appropriate in the public interest or for*
2093 *the protection of investors or consumers or to prevent the circumvention of the provisions of this Act or the rules and regulations thereunder.*]

(f) It shall be unlawful for any person to solicit or to permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, power of attorney, consent, or authorization regarding any security of a registered holding company or a subsidiary company thereof in contravention of such rules and regulations or orders as
2094 the Commission may prescribe or issue as necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this Act or the rules and regulations thereunder.

[(g) *It shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to negotiate,*

enter into, or take any step in the performance of any transaction not otherwise specifically covered by this Act, with any company in the same holding-company system or with any affiliate of a company in such holding-company system in contravention of such rules and regulations or orders regarding reports, accounts, costs, competitive bidding, disclosure of interest, duration of contracts, and similar matters as the Commission may prescribe or issue as necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this Act or the rules and regulations thereunder. 2095 2096

(h) It shall be unlawful for any affiliate of any public utility company, by use of the mails or any means or instrumentality of interstate commerce, or for any affiliate of any registered holding company or of any subsidiary company thereof or of any public-utility company engaged in interstate commerce, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to negotiate, enter into, or take any step in the performance of any sales or construction contract or any other transaction or arrangement with any such company of which it is an affiliate or with a mutual service company of which any such company is a member company in contravention of such rules and regulations or orders regarding reports, accounts, costs, competitive bidding, disclosure of interest, duration of contracts, and similar matters as the Commission may prescribe or issue as necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent 2097

the circumvention of the provisions of this Act or
2098 *the rules and regulations thereunder.*]

SERVICE, SALES AND CONSTRUCTION CONTRACTS

SEC. 13. (a) It shall be unlawful for any person who is an officer or director of a registered holding company or subsidiary company thereof to own, directly or indirectly, more than 1 per centum of the voting securities of any company which has any service contract, sales contract or construction contract with any public-utility company or holding company in the same holding company system,
2099 unless such ownership shall have been reported to the Commission and shall have been found by it, after opportunity for hearing, to be not incompatible with the interests of investors or consumers. The Commission may withdraw such authorization at any time if it finds, after notice and opportunity for hearing, that the interests of investors or consumers require such withdrawal.

(b) It shall be unlawful for any registered holding company or subsidiary thereof, which has any service contract, sales contract or construction
2100 contract with a public-utility company in the same holding company system, to charge or collect for any services or materials supplied pursuant to any such contract more than the cost thereof to the person supplying the same, if ninety per cent. or more of the voting securities of such public-utility company is controlled by such holding company. If less than ninety per cent. of the voting securities of a public-utility company in such holding company system is controlled by such registered hold-

ing company, it shall be unlawful for such holding company or subsidiary thereof to charge or collect 2101
for any services or materials supplied pursuant to any such contract more than the cost thereof to the person supplying the same plus such reasonable profit as shall have been approved by the Commission or by a State commission under applicable State law.

(c) Every registered holding company or subsidiary thereof which has any service contract, sales contract or construction contract with a public-utility company in the same holding company system shall file with the Commission such 2102
information and documents in respect of its service, sales and construction contracts, and the costs incurred by it thereunder, the ownership of its stock or the composition of its membership, and such other similar matters as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.
[*After January 1, 1936, it shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to* 2103
enter into or take any step in the performance of any service, sales, or construction contract with any company in the same holding company system or with any affiliate of a company in such holding company system or with any public-utility company.

(b) After January 1, 1936, it shall be unlawful for any affiliate of a public-utility company, by use of the mails or any means or instrumentality of inter-

state commerce, or for any affiliate of any registered
2104 *holding company or of any subsidiary company thereof or of any public-utility company engaged in interstate commerce, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to negotiate, enter into, or take any step in the performance of any service contract with any such company of which it is an affiliate unless such affiliate is approved as a mutual service company under this section.*

(c) The provisions of subsections (a) and (b) of this section shall not apply to the making or per-
2105 *formance of any service, sales, or construction contract by and between any public-utility company, in its capacity as a member company, and any mutual service company of which it is a member company.*

(d) It shall be unlawful for any person engaged in the business of performing service, sales, or construction contracts, by use of the mails or any means or instrumentality of interstate commerce, to enter into or take any step in the performance of any service, sales, or construction contract with any public-utility company, or for any such person, by use of
2106 *the mails or any means or instrumentality of interstate commerce, or otherwise, to enter into or take any step in the performance of any service, sales, or construction contract with any registered holding company or any subsidiary company thereof or any public-utility company engaged in interstate commerce, in contravention of such rules and regulations or orders regarding reports, accounts, costs, competitive bidding, disclosure of interest, duration of contracts, and similar matters as the Federal*

Exhibit 8

Power Commission shall prescribe or issue as necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this Act or the rules and regulations thereunder. Such rules and regulations shall require any person engaged in the business of performing service, sales, or construction contracts on a cooperative or mutual basis to be approved under this section as a mutual service company. 2107

(e) A person may apply to be approved as a mutual service company, upon the terms and conditions hereinafter provided in this section, for the purpose of making and performing service, sales, and/or construction contracts by filing with the Federal Power Commission an application in such form as the Federal Power Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers. Such application shall include— 2108

(1) Copies of the articles of incorporation, agreement, association, or cooperation under which the applicant will do business and copies of its bylaws or rules or instruments, whatever the name, corresponding thereto; 2109

(2) A statement of the ownership of the applicant, whether by ownership of securities or otherwise, and the relations and agreements between the applicant and its owner or owners;

(3) Copies of the agreement or agreements under

which the member companies of the applicant are to
2110 *share in its expenses and revenues and a detailed explanation of the method by which such shares are determined and to be maintained and/or adjusted;*

(4) A statement of the kinds of service, sales, and/or construction contracts to be performed by the applicant, classified and in such detail as the Federal Power Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors or consumers, and a statement of the member companies of the applicant and the contracts with each;

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(5) A detailed statement of the business, if any, other than the performance of service, sales, and/or construction contracts with member companies, in which the applicant purposes to engage.

(f) Within thirty days after the filing of an application, the Federal Power Commission shall enter an order either approving, or after notice and opportunity for hearing, disapproving the applicant as a mutual service company, unless the applicant shall withdraw its application or shall consent to
2112 *the Federal Power Commission's deferring action thereon for a stated longer period. The filing with the Federal Power Commission of an application shall be deemed to have taken place upon receipt thereof. Amendments to an application may be made upon such terms and conditions as the Federal Power Commission may prescribe.*

(g) The Federal Power Commission shall not approve the applicant as a mutual service company

unless, in the judgment of the Federal Power Commission, the applicant is so organized as to ownership, costs, revenues and the sharing thereof as reasonably to insure the efficient and economical performance of service, sales, and/or construction contracts by the applicant for member companies (1) at cost fairly and equitably allocated among such member companies, and (2) at a substantial saving to member companies over the cost to such companies of comparable contracts if performed by independent persons. 2113

(h) Any order of the Federal Power Commission approving a company as a mutual service company may prescribe such terms and conditions regarding the nature and enforcement of the agreements of such mutual service company for the sharing of revenues and expenses among member companies and matters relating to such agreements and the nature, character, and extent of the business to be done by such mutual service company as the Federal Power Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this section or the rules and regulations thereunder. 2114 2115

(i) Every mutual service company shall file with the Federal Power Commission such information and documents in respect of its service, sales, and construction contracts, the composition of its membership, the manner and method of sharing expenses and distributing revenues, and similar matters as the Federal Power Commission may by rules and regulations or order prescribe as necessary or appro-

priate in the public interest or for the protection of
2116 *investors or consumers.*

(j) It shall be unlawful for any mutual service company, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to engage in any business or enter into or perform any transaction in contravention of such rules and regulations or orders regarding the nature and types of businesses and transactions in which such companies may engage, the manner of engaging therein, competitive bidding, costs, disclosure of interest, relations with member companies and
2117 *affiliates, and similar matters as the Federal Power Commission may prescribe or issue as necessary or appropriate in the public interest or for the protection of investors or consumers or to prevent the circumvention of the provisions of this section or the rules and regulations thereunder.*

(k) The Federal Power Commission, after notice and opportunity for hearing, may revoke or suspend the approval given any mutual service company if it finds that such company has violated any provision of this Act or any rule, regulation, or order
2118 *thereunder, or that such company is not operated efficiently or economically in the interest of its member companies. The Federal Power Commission upon its own motion or at the request of a member company or a State commission, after notice and opportunity for hearing, may require a reallocation or reapportionment of costs among member companies of a mutual service company if it finds the existing allocation inequitable and may require the elimination of a service or services*

to a member company which does not bear its fair proportion of costs or which by reason of its size or other circumstances does not require such service or services. 2119

(l) The Federal Power Commission shall from time to time conduct investigations regarding the making, performance, and costs of service, sales, and construction contracts, the economies resulting therefrom, and the desirability thereof. On the basis of such investigations the Federal Power Commission shall classify the different types of such contracts and the work done thereunder, and shall make recommendations from time to time regarding the standards and scope of such contracts in relation to public-utility companies of different kinds and sizes and the costs incurred thereunder and economies resulting therefrom. Such recommendations shall be made available to State commissions and to the public in such form and at such reasonable charge as the Federal Power Commission may prescribe.] 2120

PERIODIC AND OTHER REPORTS

SEC. 14. Every registered holding company shall file with the Commission [*and every mutual service company shall file with the Federal Power Commission,*] such annual, quarterly, and other periodic and special reports, the answers to such specific questions and the minutes of such directors', stockholders', and other meetings as the [*respective*] Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors 2121

2122 or consumers. Such reports, if required by the rules and regulations of the Commission [*having jurisdiction thereof*], shall be certified by an independent public accountant and shall be made and filed at such time and in such form and detail as [*such*] **the** Commission shall prescribe. The Commission shall have power to require that there be included in reports filed with it such information and documents as it may deem necessary or appropriate to keep reasonably current the information filed under sections 5 **and 13**, and such further information concerning the financial condition, security structure,
2123 security holdings, assets, and cost thereof, wherever determinable, and affiliations of the reporting company and the associate companies and affiliates thereof as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers. [*The Federal Power Commission shall have power to require that there be included in reports filed with it such information and documents as it may deem necessary or appropriate to keep reasonably current the information filed under section 13, and such further information concerning the financial condition,*
2124 *transactions, businesses, assets, and cost thereof, wherever determinable, membership, relations with member companies, and similar matters as the Federal Power Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.*]

Exhibit 8

ACCOUNTS AND RECORDS

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SEC. 15. (a) Every registered holding company and every subsidiary company thereof shall make, keep, and preserve for such periods, such accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers or for the enforcement of the provisions of this Act or the rules or regulations thereunder.

2126

[(b) *Every affiliate of a registered holding company or of any subsidiary company thereof or of any public-utility company engaged in interstate commerce or not so engaged or of any mutual service company, shall make, keep, and preserve for such periods, such accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records relating to any transaction which is subject to any provision of this Act or any rule or regulation thereunder as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers or for the enforcement of the provisions of this Act or the rules and regulations thereunder.*

2127

(c) *Every mutual-service company shall make, keep, and preserve for such periods, such accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Federal Power Commission may by rules and regulations prescribe as necessary or appropriate in the*

public interest or for the protection of investors or
2128 *consumers or for the enforcement of the provisions of this Act or the rules and regulations thereunder.*]

(d) The Commission, by rules and regulations from time to time, [*shall*] **may** prescribe for companies subject to the provisions of subsection (a) [*or (b)*] of this section, [*and the Federal Power Commission, by rules and regulations from time to time, shall prescribe for mutual service companies*], uniform methods for keeping accounts required under this section, including, among other things, the manner in which the cost of all assets, whenever deter-
2129 minable, shall be shown, the methods of classifying and segregating accounts and the manner in which cost-accounting procedures shall be maintained.

[*(e) After the commission having jurisdiction thereof has prescribed the form and manner of making and keeping accounts, cost accounting procedures, correspondence, memoranda, papers, books, and other records to be kept by any company hereunder, it shall be unlawful for any such company to keep any accounts, cost-accounting procedures, correspondence, memoranda, papers, books, or*
2130 *other records other than those prescribed or such as may be approved by the commission having jurisdiction thereof, or to keep its accounts, cost accounting procedures, correspondence, memoranda, papers, books, or other records in any manner other than that prescribed or approved by the commission having jurisdiction thereof.*]

(f) All accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other

records kept or required to be kept by companies subject to any provision of this section shall be subject at any time and from time to time to such reasonable periodic, special, and other examinations by the commission [*having jurisdiction thereof*] or any member or representative thereof as the [*such*] Commission may prescribe. [*The burden of proof to justify any accounting entry questioned by the commission having jurisdiction thereof shall be on the company making or authorizing such entry.*] The Commission, having jurisdiction thereof, after notice and opportunity for hearing, may prescribe the account or accounts in which particular outlays, receipts, and other transactions shall be entered, charged, or credited and the manner in which such entry, charge, or credit shall be made, and may require an entry to be modified or supplemented so as properly to show the cost of any asset or any other cost. 2131 2132

(g) **The foregoing provisions of this section 14 shall not apply to any company the accounts and records of which are at the time subject to the regulatory jurisdiction of a State commission under applicable State law; provided, however, that such accounts and records shall be subject at any time to such reasonable periodic, special and other examinations by the Commission or any member or representative thereof as the Commission may prescribe.** [*It shall be the duty of every registered holding company and of every subsidiary company thereof and of every affiliate of a company insofar as such affiliate is subject to any provision of this Act or any rule or regulation thereunder to* 2133

submit the accounts, cost-accounting procedures,
2134 *correspondence, memoranda, papers, books, and other records of such company to such examinations, in person or by duly appointed attorney, by the holder of any security of such holding company, subsidiary company or affiliate and by persons having a bone fide interest (as defined by the rules and regulations of the Commission) in any such account, cost-accounting procedure, correspondence, memorandum, paper, book, or other record as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.*
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(h) It shall be the duty of every mutual service company to submit the accounts, cost-accounting procedures, correspondence, memoranda, papers, books, and other records of such company to such examinations, in person or by duly appointed attorney, by member companies of such company, and by persons having a bona fide (as defined by the rules and regulations of the Federal Power Commission) in any such account, cost-accounting procedure, correspondence, memorandum, paper, book, or other record as the Federal Power Commission
2136 *may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors or consumers.*

(i) Upon application of any person entitled, under the provisions of subsection (g) or (h) of this section or the rules and regulations thereunder, to examine any account, cost accounting procedure, correspondence, memorandum, paper, book, or other record of a registered holding company or subsidi-

ary company thereof or of a mutual service company or an affiliate of a company, the district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have the jurisdiction to issue writs of mandamus commanding any such company to submit any such account, cost-accounting procedure, correspondence, memorandum, paper, book, or other record to such examination.] 2137

LIABILITY FOR MISLEADING STATEMENTS

SEC. 16. (a) In case any part of the declaration filed pursuant to section 7, [*or any rule or regulation thereunder,*] when such part became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, there shall accrue all of the rights and remedies and there shall attach all of the liabilities as provided in section 11 of the Securities Act of 1933, as amended, with respect to a registration statement filed pursuant to said Securities Act of 1933, as amended. Any action maintained to enforce any liability under this subsection shall be subject to the limitations prescribed in section 13 of said Securities Act of 1933, as amended; and jurisdiction of all suits in equity and actions at law brought to enforce any liability or duty created by this subsection [*or the rules and regulations thereunder*] shall be governed by the provisions of section 22 of said Securities Act of 1933, as amended. 2138 2139

2140 (b) Any person who shall make or cause to be made any statement in any application, report, registration statement, or document filed pursuant to this Act, [*or any rule or regulation thereunder*], which statement was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact shall be liable in the same manner, to the same extent and subject to the same limitations as provided in section 18 of the Securities Exchange Act of 1934 with respect to an application, report, or document filed pursuant to said Securities Ex-
2141 change Act of 1934; and jurisdiction of all suits in equity and actions at law brought to enforce any liability or duty created by this subsection [*or the rules and regulations thereunder*] shall be governed by the provisions of section 27 of said Securities Exchange Act of 1934.

(c) The rights and remedies provided by this Act shall be in addition to any and all other rights and remedies that may exist at law or in equity; but no person permitted to maintain a suit for damages under the provisions of this Act shall recover,
2142 through satisfaction of judgment in one or more actions, a total amount in excess of his actual damages on account of the act complained of.

OFFICERS, DIRECTORS, AND OTHER AFFILIATES

SEC. 17. (a) Every person who is an officer, director, or other affiliate of a registered holding company shall file with the Commission in such form as the Commission shall prescribe (1) at the time of the registration of such holding company or

within ten days after such person becomes an officer, director, or other affiliate, a statement of the securities of such registered holding company and/or any subsidiary company thereof of which he is, directly or indirectly, the beneficial owner, and (2) within ten days after the close of each calendar month thereafter, if there has been any change in such ownership during such month, a statement of such ownership as of the close of such calendar month and of the changes in such ownership that have occurred during such calendar month. **The Commission may by appropriate regulation permit any statement theretofore filed pursuant to subsection (a) of Section 16 of the Securities Exchange Act of 1934 to be accepted as a statement as of the same date required to be filed pursuant to this subsection, and any statement theretofore filed pursuant to this subsection to be accepted as a statement as of the same date required to be filed pursuant to said subsection (a) of Section 16 of the Securities Exchange Act of 1934.** 2143 2144

(b) For the purpose of preventing the unfair use of information which may have been obtained by such officer, director, or other affiliate by reason of his relationship to such registered holding company and/or any subsidiary company thereof, any profit realized by such officer, director, or other affiliate from any purchase and sale, or any sale and purchase, of any security of such registered holding company or any subsidiary company thereof within any period of less than six months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be 2145

recoverable by the holding company or subsidiary
2146 company in respect of the security of which such profit was realized, irrespective of any intention on the part of such officer, director, or other affiliate in entering into such transaction to hold the security purchased or not to repurchase the security sold for a period of more than six months. Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the company entitled thereto or by the owner of any security of such company in the name and in the behalf of such company if such company shall
2147 fail or refuse to bring such suit within sixty days after request or shall fail diligently to prosecute the same thereafter; but no such suit shall be brought more than two years after the date such profit was realized. This subsection shall not be construed to cover any transaction where such person was not an officer, director, or other affiliate at the times of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transactions which the Commission by rules and regulations may, as necessary or appropriate in the public interest or for the protection of
2148 investors or consumers, exempt as not comprehended within the purpose of this subsection.

INVESTIGATIONS; INJUNCTIONS AND PROSECUTION OF OFFENSES

SEC. 18. (a) The Commission, in its discretion, may investigate any facts, conditions, practices, or matters which it may deem necessary or appropriate to determine whether any person has violated or is about to violate any provision of this Act or

any rule or regulation thereunder, or to aid in the enforcement of the provisions of this Act, in the prescribing of rules and regulations thereunder, or in obtaining information to serve as a basis for recommending further legislation concerning the matters to which this Act relates. The Commission may require or permit any person to file with it a statement in writing, under oath or otherwise as it shall determine, as to any or all facts and circumstances concerning a matter which may be the subject of investigation. The Commission, in its discretion, may publish or make available to State commissions information concerning any such subject. 2149 2150

(b) The Commission upon its own motion or at the request of a State commission may investigate, or obtain any information regarding, the business, financial condition, or practices of any registered holding company or subsidiary company thereof or facts, conditions, practices, or matters affecting the relations between any such company and any other company or companies in the same holding-company system.

(c) For the purpose of any investigation or any other proceeding under this Act, any member of the Commission, or any officer thereof designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production 2151

of any such records may be required from any place
2152 in any State or in any Territory or other place subject to the jurisdiction of the United States at any designated place of hearing.

(d) In case of contumacy by, or refusal to obey a subpena issued to any person, the Commission may invoke the aid of any court of the United States within the jurisdiction in which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memo-
2153 randa, contracts, agreements, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found or may be doing business. Any person who,
2154 without just cause, shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in his or its power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

Exhibit 8

(e) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, contracts, agreements or other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incriminaton, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. 2155 2156

(f) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this Act, or of any rule, regulation, or order thereunder, it may in its discretion bring an action in the proper district court of the United States, the Supreme Court of the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices and to enforce compliance with this Act or any rule, regulation, or order thereunder, and upon a proper showing a permanent or temporary injunction or decree or restraining order shall be granted without bond. The Commission 2157

may transmit such evidence as may be available
2158 concerning such acts or practices to the Attorney General, who, in his discretion, may institute the necessary criminal proceedings under this Act.

(g) Upon application of the Commission, the district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this Act or any rule, regulation, or order of the
2159 Commission made thereunder.

HEARINGS BY COMMISSION

SEC. 19. Hearings may be public and may be held before the Commission, any member or members thereof, or any officer or officers of the Commission designated by it, and appropriate records thereof shall be kept. In any proceeding before the Commission, the Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State
2160 commission, State securities commission, municipality, or other political subdivision of a State or any representative of interested consumers or security holders, or any other person whose participation in the proceeding may be in the public interest or for the protection of investors or consumers.

Exhibit 8

RULES AND REGULATIONS

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SEC. 20. The Commission shall have authority from time to time to make, issue, amend, and rescind such rules and regulations and such orders as it may deem necessary or appropriate to carry out the provisions of this Act, including rules and regulations defining accounting, technical, and trade terms used in this Act. Among other things, the Commission shall have authority, for the purposes of this Act, to prescribe the form or forms in which information required in any statement, declaration, application, report, or other document filed with the Commission shall be set forth, the 2162
items or details to be shown in balance sheets, profit and loss statements, and surplus accounts, the manner in which the cost of all assets, whenever determinable, shall be shown and, **in regard to such statements, declarations, applications, reports and other documents filed with the Commission,** the methods to be followed in [*the keeping of accounts and cost accounting procedures and*] the preparation **thereof** [*of reports,*] in the segregation and allocation of costs, in the determination of liabilities, in the [*determination*] **recording** of depreciation 2163
and depletion, in the differentiation of recurring and nonrecurring income, in the differentiation of investment and operating income, and in the [*keeping and/or*] preparation, where the Commission deems it necessary or appropriate, of separate and/or consolidated balance sheets or profit and loss statements for any companies in the same holding company system. In the case of the accounts of any company whose methods of accounting are prescribed under the provisions of any law of the

2164 United States or of any State, the rules and regulations of the Commission in respect of **reports** [*accounts*] shall not be inconsistent with the requirements imposed by such law or any rule or regulation thereunder; but this provision shall not prevent the Commission from imposing such additional requirements regarding reports [*or accounts*] as it may deem necessary or appropriate in the public interest or for the protection of investors or consumers. The rules and regulations of the Commission shall be effective upon publication in the manner which the Commission shall prescribe. For the purpose of its rules and regulations the Commission
2165 may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters; **no provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation or order of the Commission, notwithstanding that such rule, regulation or order may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.**

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EFFECT ON EXISTING LAW

SEC. 21. Nothing in this Act shall affect the jurisdiction of the Commission under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934 over any person or security, or the rights, obligations, duties, or liabilities of any person thereunder; nor shall anything in this Act affect the jurisdiction of any other commission, board, agency, or officer of the United States or of

any State or municipality or other political subdivision of a State, over any security, contract, or person insofar as such jurisdiction does not conflict with any provision of this Act or any rule, regulation, or order thereunder. 2167

INFORMATION FILED WITH THE COMMISSION

SEC. 22. (a) The information contained in any statement, application, declaration, report, or other document filed with the Commission shall be available to the public, and copies thereof may be furnished to any person at such reasonable charge and under such reasonable limitations as the Commission may prescribe; **provided, however, that nothing in this title shall be construed to require, or to authorize the Commission to require, the revealing of trade secrets or processes in any application, declaration, report or document filed with the Commission under this title.** 2168

(b) Any person filing any such application, declaration, report or document may make written objection to the public disclosure of information contained therein, stating the grounds for such objection, and the Commission is authorized to hear objections in any such case where it deems it advisable. The Commission may, in such cases, make available to the public such information contained in any such application, declaration, report or document only when in its judgment a disclosure of such information is in the interest of investors or consumers. 2169

Exhibit 8

2170 **(c) It shall be unlawful for any member, officer or employee of the Commission to disclose to any person other than a member, officer or employee of the Commission, or to use for personal benefit, any information contained in any application, declaration, report or document filed with the Commission which is not made available to the public pursuant to subsection (b) of this section.**

ANNUAL REPORTS OF COMMISSION

SEC. 23. The Commission shall submit annually a report to the Congress covering the work of the 2171 Commission for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this Act as it may deem advisable.

COURT REVIEW OF ORDERS

SEC. 24. (a) Any person aggrieved by an order issued by the Commission in a proceeding under this Act to which such person is a party may obtain a review of such order in the circuit court of appeals of the United States within any circuit 2172 wherein such person resides or has his principal place of business, or in the Court of Appeals of the District of Columbia, by filing in such court, within sixty days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon any member of the Commission, or upon any officer thereof designated by the Commission for that purpose, and thereupon the Commission shall certify

and file in the court a transcript of the record upon which the order complained of was entered. Upon 2173
the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order, in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission, **or unless there were reasonable grounds for failure so to do.** The finding of the Commission as to the facts, if supported by **substantial** evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such addi- 2174
tional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings, which, if supported by **sub-** 2175
stantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such order of the Commission shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

(b) The commencement of proceedings under sub-
2176 section (a) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

JURISDICTION OF OFFENSES

SEC. 25. The district courts of the United States, the Supreme Court of the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have exclusive jurisdiction of violations of this Act or the rules, regulations, or orders thereunder
2177 and of all suits in equity and actions at law brought to enforce any liability or duty created by this Act or the rules, regulations, or orders thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by this Act or rules, regulations, or orders thereunder, or to enjoin any violation of this Act or such rules, regulations, or orders may be brought in any such district or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such
2178 cases may be served in any district of which the defendant is an inhabitant or transacts business or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C. title 28, secs. 225 and 347). No costs shall be assessed for or against the Commission [*or the Federal Power Commission*] in any proceeding under this Act

brought by or against the [*either such*] Commission in any court. 2179

VALIDITY OF CONTRACTS

SEC. 26. (a) Any condition, stipulation, or provision binding any person to waive compliance with any provision of this Act or with any rule, regulation, or order thereunder shall be void.

(b) Every contract made in violation of any provision of this Act or of any rule, regulation, or order thereunder, and every contract heretofore or hereafter made, the performance of which involves the 2180
violation of, or the continuance of any relationship or practice in violation of, any provision of this Act, or any rule, regulation, or order thereunder, shall be void (1) as regards the rights of any person who, in violation of any such provision, rule, regulation, or order, shall have made or engaged in the performance of any such contract and (2) as regards the rights of any person who, not being a party to such contract, shall have acquired any right thereunder with actual knowledge of the facts by reason of which the making or performance of such contract was in violation of any such provision, rule, 2181
regulation, or order.

LIABILITY OF CONTROLLING PERSONS

SEC. 27. (a) It shall be unlawful for any person, directly or indirectly, to do any act or thing through or by means of any other person which it would be unlawful for such person to do under the provisions of this Act or any rule, regulation, or order thereunder.

(b) It shall be unlawful for any person without
2182 just cause to hinder, delay, or obstruct the making, filing, or keeping of any information, document, report, record, or account required to be made, filed, or kept under the provisions of this Act or any rule, regulation, or order thereunder.

UNLAWFUL REPRESENTATIONS

SEC. 28. It shall be unlawful for any person to use the name of the United States or of any agency or officer thereof in issuing, selling, or offering for sale any security of a registered holding company
2183 or subsidiary company thereof, or to represent or imply in any manner whatsoever that such security has been guaranteed, sponsored, or approved by the Unitel States or any agency or officer thereof; except that an advertisement or prospectus published in connection with the sale of any such security may state, if such be the fact, that a declaration regarding the issue, sale, or guaranty of such security has been filed under the Public Utility Holding Company Act of 1935.

PENALTIES

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SEC. 29. Any person who **willfully** violates any provision of this Act or any rule, regulation, or order thereunder, or any person who **willfully** makes or causes to be made any statement or entry in any application, report, document, account, or record filed or kept or required to be filed or kept under the provisions of this Act or any rule, regulation, or order thereunder, knowing such state-

ment or entry to be false or misleading in any material respect, or who willfully neglects or fails to make any statement or entry, in the form and manner prescribed by this Act or any rule, regulation, or order thereunder in any such application, report, document, account or record, or any person who willfully destroys (except after such time as may be prescribed under any rules or regulations under this Act), mutilates, alters, or by any means or device falsifies, or who willfully causes so to be destroyed or mutilated, altered, or falsified, any account, correspondence, memorandum, book, paper, or other record kept or required to be kept under the provisions of this Act or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $10,000 or imprisoned not more than two [*five*] years, or both, except that in the case of a violation of a provision of [*subsection (a) or (b)*] of section 4 by a holding company, a fine not exceeding $25,000 [*$500,000*] may be imposed; but no person shall be subject to fine or imprisonment under this section for the violation of any rule, regulation, or order if he proves that he had no knowledge of such rule, regulation, or order.

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[*STUDY OF PUBLIC UTILITY COMPANIES*

Sec. 30. The Federal Power Commission is authorized and directed to make studies and investigations of public-utility companies, the territories served or which can be served by public-utility companies, and the manner in which the same are or can be served, to determine the sizes, types, and loca-

2188 *tions of public-utility companies which do or can operate most economically and efficiently in the public interest, in the interest of investors and consumers, and in furtherance of a wider and more economical use of gas and electric energy; upon the basis of such investigations and studies the Federal Power Commission shall make public from time to time its recommendations as to the type and size of geographically and economically integrated public-utility company which, having regard for the nature and character of the locality served, can best promote and harmonize the interests of the public, the investor, and the consumer.*

2189

FEDERAL POWER COMMISSION

Sec. 31. The Federal Power Commission, in respect of the matters within its jurisdiction under sections 13, 14, 15 and 30 shall have and exercise the rights, powers, functions, and duties conferred or imposed upon the Commission under sections 18, 19, 20, 22, 23, and 24.]

EMPLOYEES OF THE COMMISSION [*AND FEDERAL POWER COMMISSION*]

2190

SEC. 32. For the purposes of this Act, the Commission [*and the Federal Power Commission*] may select, employ, and fix the compensation of such attorneys, examiners, and experts as shall be necessary for the transaction of the business of [*such*] the Commission [*s*] in respect of this Act without regard to the provisions of other laws applicable to the employment and compensation of officers or

employees of the United States; and the Commission [*and the Federal Power Commission*] may, subject to the civil service laws, appoint such other officers and employees as are necessary in the execution of the functions of [*such*] the Commission[*s*] and fix their salaries in accordance with the Classification Act of 1923, as amended. 2191

SEPARABILITY OF PROVISIONS

SEC. 33. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby. 2192

2193

Exhibit 9

2194

CORPORATE CHARTS

Bond and Share System

American Company System

2195 **Electric Company System**

National Company System

United Company System

These charts are printed in volume 7, page 2085.

2196

Exhibit 10

HISTORY OF CAPITALIZATION OF BOND AND SHARE

2197

In 1905 General Electric Company organized the original Bond and Share, transferred to it securities having an appraised value of $3,139,522.50 and cash in the sum of $1,301,076.90 and received from it all of its capital stock which consisted of 20,000 shares of 5 percent preferred and 20,000 shares of common, both of the par value of $100 per share.

From 1905 until 1924, Bond and Share issued to General Electric Company preferred and common stock both in return for cash and securities and as stock dividends. General Electric Company from 2198
time to time sold to the public substantially all of the preferred stock thus issued to it. From 1915 to 1924, the original Bond and Share issued additional shares of preferred stock which were sold to the public through a purchasing group of investment bankers.

In 1925 General Electric Company organized Electric Bond and Share Securities Corporation, to which it transferred all of the stock of Bond and Share held by it and received in return the outstanding stock of the new corporation, which it thereupon distributed to its own stockholders. In 2199
1929 Bond and Share and Electric Bond and Share Securities Corporation merged and consolidated to form the present Bond and Share.

This merger and consolidation was carried out by issuing one share of $6 preferred stock of the new company for each share of preferred stock of the old Bond and Share and issuing three shares of common stock of the new company for each share of common stock of the Securities Corporation.

Since this consolidation and merger, Bond and Share has sold preferred stock to the public through

2200 a purchasing group of investment bankers. It has also issued common stock as stock dividends.

On July 1, 1929, each stockholder was offered the privilege of subscribing for common stock of Bond and Share at $85 per share to be issued at the rate of one share of new stock for six integral shares of old common stock outstanding.

In October 1929, pursuant to an agreement with Electric Investors Inc., Bond and Share acquired all the assets and assumed all the liabilities of that company, consisting primarily of common stocks of public utility holding and operating companies. In

2201 payment Bond and Share issued its own common and preferred stock to the common and preferred stockholders of Electric Investors Inc., respectively, subject to the option of the preferred stockholders of that company to receive cash for their stock. At the time of this acquisition, Bond and Share owned 12% of the voting stock of Electric Investors Inc.; five of the eleven members of the Board of Directors and all of the officers of Electric Investors Inc. were officers or employees of Bond and Share.

In March 1932, all the outstanding common stock

2202 (no par value) was exchanged for $5 par value common stock on the basis of one share of $5 par value common stock for three shares of no par value common stock outstanding.

Table A, below, sets out the number of shares of preferred and common stock that were issued by the old Bond and Share Company from its incorporation in 1905 until its consolidation with Electric Bond and Share Securities Corporation in 1929, the ledger value of these securities on the books of Bond and Share and the purpose for which they were issued. Table B sets out the same information for the new company.

Exhibit 10 (Continued)

TABLE A

BOND AND SHARE

CAPITAL STOCK ISSUED—OLD COMPANY

Year	To whom issued	Common stock Shares	Common stock Ledger credit	Preferred stock Shares	Preferred stock Ledger credit	Purpose
1905	General Electric Co.	20,000	$2,000,000.00	20,000	$ 2,000,000.00	Cash and securities
1912	do	15,000	1,500,000.00	—	—	Cash
1912	do	—	—	14,191	1,419,100.00	Cash
1912	Various	—	—	809	80,900.00	Cash
1913	General Electric Co.	15,000	1,500,000.00	—	—	Cash
1913	do	—	—	11,805	1,180,500.00	Cash
1913	Various	—	—	1,195	119,500.00	Cash
1914	General Electric Co.	—	—	2,000	200,000.00	Cash
1915	do	10,000	1,000,000.00	—	—	Cash
1915	Wm. P. Bonbright & Co.	—	—	9,289	928,900.00	Cash
1915	Various	—	—	711	71,100.00	Cash
1916	General Electric Co.	20,000	2,000,000.00	—	—	Cash
1916	Wm. P. Bonbright & Co.	—	—	16,406	1,640,600.00	Cash
1916	Various	—	—	3,516	351,600.00	Cash
1917	General Electric Co.	5,000	500,000.00	—	—	Account receivable
1917	Wm. P. Bonbright & Co.	—	—	4,000	400,000.00	Cash
1917	Various	—	—	660	66,000.00	Cash
1918	General Electric Co.	15,000	1,500,000.00	—	—	Securities and account receivable
1918	Wm. P. Bonbright & Co.	—	—	4,218	421,800.00	Cash
1919	do	—	—	8,200	820,000.00	Cash
1920	do	—	—	3,000	300,000.00	Cash and account receivable
1920	General Electric Co.	—	—	—	—	Securities and account receivable
1921	do	12,500	1,250,000.00	—	—	Cash, securities and account receivable
1921	do	—	—	—	—	Cash, account receivable
1921	Wm. P. Bonbright & Co.	—	—	12,500	1,250,000.00	Cash
1922	General Electric Co.	56,625	5,662,500.00	—	—	Cash and stock dividends
1922	Bonbright & Co. (Inc.)	—	—	50,000	5,000,000.00	Cash
1923	General Electric Co.	58,875	5,887,500.00	—	—	Cash and stock dividends
1923	Bonbright & Co. (Inc.)	—	—	61,500	6,150,000.00	Cash
1924	General Electric Co.	22,000	2,200,000.00	—	—	Cash
1924	Bonbright & Co. (Inc.)	—	—	26,000	2,600,000.00	Cash
1927	Electric Bond and Share Securities Corporation	250,000	25,000,000.00	—	—	Cash and stock dividends
1927	Bonbright & Co. (Inc.)	—	—	250,000	25,000,000.00	Cash
1928	Electric Bond & Share Securities Corporation	350,000	35,000,000.00	—	—	Cash
1929	do	1,000	100,000.00	—	—	Securities
	Total	851,000	$85,100,000.00	500,000	$50,000,000.00	

Exhibit 10 (Continued)

2206

TABLE B

2207

BOND AND SHARE CAPITAL STOCK ISSUED—NEW COMPANY

March 13, 1929 to December 31, 1935

(opposite page)

2208

Exhibit 10 (Continued)

TABLE B

	$6 PREFERRED STOCK		$5 PREFERRED STOCK		COMMON STOCK—NO PAR VALUE	
	Shares	Ledger Credit	Shares	Credit Ledger	Shares	Ledger Credit
March 13, 1929 to March 22, 1932						
Originally issued at formation of Company, March 13, 1929	500,000	$ 50,000,000.00	—	$ —	9,615,306	$601,153,060.00
Issued for Cash						
(a) To Dealers	350,000	35,662,500.00	300,000	26,125,000.00	—	—
(b) To Stockholders in accordance with offer dated July 1, 1929	—	—	—	—	1,704,555(A)	144,887,175.00
(c) To Electric Bond and Share Securities Inc.	—	—	—	—	480,765	19,230,600.00
Issued in exchange for Securities and Other Assets						
(a) To Stockholders of Electric Investors Inc., in accordance with Plan and Agreement of Reorganization between Electric Investors Inc., and Electric Bond and Share Company, dated September 23, 1929	266,096	26,609,600.00	—	—	1,432,486.500	39,860,119.62
(b) To Palmer Investment Company in exchange for United Gas Corporation Common Stock	39,559	5,566,500.00	—	—	—	—
Issued in payment of Common Stock Dividends	—	—	—	—	2,253,058.020	22,530,580.20
TOTAL	1,155,655	117,838,600.00	300,000	26,125,000.00	15,486,170.520	827,661,534.82
Shares reacquired and cancelled in accordance with action of Stockholders at meeting held December 7, 1929	—	—	—	—	589,702.00	23,534,619.67
Total to March 22, 1932	1,155,655	$117,838,600.00	300,000	$26,125,000.00	14,896,468.520	$804,126,915.15

(A) Underwriting fee of $853,358 paid to Bonbright & Co.

[1] Deficit.

COMMON STOCK—$5 PAR VALUE		DISTRIBUTION OF LEDGER CREDITS	
Shares	Ledger Credit	Capital Stock	Capital Surplus
—	—	$146,153,060.00	$505,000,000.00
—	—	65,000,000.00	*3,212,500.00* [1]
—	—	17,045,550.00	127,841,625.00
—	—	4,807,650.00	14,422,950.00
—	—	40,934,465.00	25,535,254.62
—	—	3,955,900.00	1,610,600.00
—	—	22,530,580.20	—
—	—	300,427,205.20	671,197,929.62
—	—	5,897,020.00	17,637,599.67
—	—	$294,530,185.20	$653,560,329.95

Exhibit 10 (Continued)

2212

TABLE B (Continued)

2213

BOND AND SHARE CAPITAL STOCK ISSUED—NEW COMPANY

March 18, 1929 to December 31, 1935

(opposite page)

2214

Exhibit 10 (Continued)

TABLE B (Continued)

$6 PREFERRED STOCK		$5 PREFERRED STOCK		COMMON STOCK—NO PAR VALUE		COMMON STOCK—NO PAR VALUE		DISTRIBUTION OF LEDGER CREDITS	
Shares	Ledger Credit	Shares	Ledger Credit	Shares	Ledger Credit	Shares		Capital Stock	Capital Surplus
,155,655	$117,838,600.00	300,000	$26,125,000.00	—	—	4,965,489.5066	15.15	$170,392,947.53	$777,697,567.62
—	—	—	—	—	—	301,657.2500	86.25	1,508,286.25	—
,155,655	$117,838,600.00	300,000	$26,125,000.00	—	—	5,267,146.7566	01.40	$171,901,233.78	$777,697,567.62

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March 22, 1932 to December 31, 1935

In accordance with action of Stockholders at Meeting held Mar
1932, the No Par Value Common Stock was exchanged for $
Value Common Stock on the basis of one (1) share of $5 Par
Common Stock for each three (3) shares of No Par Value Co
Stock Outstanding.

The Stockholders at this meeting authorized the transfer of
137,237.67, from the Capital Account of the Company to the
Surplus Account.

Total to March 22, 1932 after giving effect to Action of Stockh
at meeting held that date

March 22, 1932 to December 31, 1935

Issued in payment of Common Stock Dividends

Total to December 31, 1935

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Exhibit 11

2218

BALANCE SHEET

AMERICAN & FOREIGN POWER COMPANY INC.

DECEMBER 31, 1935

ASSETS

INVESTMENTS IN SUBSIDIARIES, ETC.—Stocks, Bonds, Notes, Etc.		$488,384,540.70
(Ledger value—based on Company's valuations of securities acquired for securities issued and on cash costs, less credits for net proceeds, in lieu of cost, of investments disposed of where individual costs are not determinable because of group valuations of investments.)		
2219 CASH:		
In Banks—On Demand		
United States Currency	$10,986,352.62	
Foreign Currencies at Current Rates of Exchange	203,825.02	
In Transit	58,480.72	11,248,658.36
NOTES AND LOANS RECEIVABLE—For Advances to Subsidiaries		31,133,251.59
CONTRACT RECEIVABLE FROM SUBSIDIARY—Brazilian Electric Power Company—£50,000 at the current rate of exchange (balance due in connection with sale of The Rio Grandense Light and Power Syndicate, Limited, shares and debt—see contra)		246,500.00
2220		
ACCOUNTS RECEIVABLE:		
Subsidiaries	$ 2,108,407.28	
Others	10,299.08	2,118,706.36
UNAMORTIZED DEBT DISCOUNT AND EXPENSE		7,039,047.55
SUNDRY DEBITS		56,098.98
TOTAL		$540,226,803.54

Exhibit 11

LIABILITIES

2221

APITAL STOCK (no par value):

Represented by:

Preferred ($7), cumulative (entitled upon liquidation to $100 a share and accumulated dividends); pari passu with $6 Preferred; authorized, 900,000 shares; issued and outstanding, 478,995 shares,
$6 Preferred, cumulative (entitled upon liquidation to $100 a share and accumulated dividends); pari passu with Preferred ($7); authorized, 2,000,000 shares; issued and outstanding, 387,025.65 shares, inclusive of 5.65 shares of scrip,

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Second Preferred, Series A ($7), cumulative (entitled upon liquidation to $100 a share and accumulated dividends); authorized, 3,000,000 shares; issued and outstanding, 2,622,862 shares,
Common, authorized, 10,000,000 shares; issued and outstanding, 1,980,734 shares,
Option Warrants to purchase 6,744,998.8 shares of Common Stock for $25.00 per share (one share of Second Preferred Stock, Series A ($7), acceptable in lieu of cash, with Warrants for four shares, in full payment for four shares of Common Stock),
Capital Stock Subscribed—Allotment Certificates, $480.00

2223

$393,940,452.38

GOLD DEBENTURES, 5% SERIES DUE 2030..... 50,000,000.00

NOTES PAYABLE:

Banks—Due October 26, 1938 (see notation 1)	$31,907,048.07	
Electric Bond and Share Company—Due October 26, 1938 (see notation 1)....	7,976,762.02	
Electric Bond and Share Company—Due November 15, 1938	35,000,000.00	74,883,810.09

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Exhibit 11

2224 CONTRACTS PAYABLE:

The British Electric Traction Company, Ltd.—£50,000 at the current rate of exchange retired on April 6, 1936 (balance due on contract of purchase of all capital shares and £353,581 principal amount of debt of The Rio Grandense Light and Power Syndicate, Limited, purchased for account of Brazilian Electric Power Company, which securities are pledged as collateral thereto—see contra)	$ 246,500.00	
Others	27,253.75	273,753.75

2225 ACCOUNTS PAYABLE:

Subsidiaries	$ 224,220.10	
Others	30,066.16	254,286.26
ACCRUED ACCOUNTS		2,692,531.68
EARNED SURPLUS		18,181,969.38
TOTAL		$540,226,803.54

2226 NOTATIONS:

1. On April 10, 1936, the Notes Payable due October 26, 1938 were reduced by a payment of $2,383,810.09 and now total $37,500,000, of which $7,500,000 is held by Electric Bond and Share Company. Under the terms of the extension agreement whereby the maturity dates of these notes were extended from October 26, 1935, to October 26, 1938, American & Foreign Power Company Inc. agreed to apply ratably to the reduction of said notes so much of the net proceeds of the sale of any securities or capital assets by the Company or any of its direct or indirect subsidiaries (other than intercompany sales) as could be made legally available which (1)

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should be in excess of a reasonable allowance for working funds and necessary construction of additions, betterments or improvements of or to existing plants or systems, (2) shall not be used to pay at maturity any existing debts (or renewals) and (3) can be transferred into United States dollars without unreasonable expenses for such transfer. 2227

2. Dividends on the Preferred Stock ($7) and $6 Preferred Stock, which are cumulative, have been paid to December 31, 1931; dividends on the Second Preferred Stock, Series A ($7), which are cumulative, have been paid to September 30, 1930. No provision has been made in the above statement for undeclared cumulative dividends on the Preferred Stock ($7), amounting to $13,411,860.00 $28.00 per share) on the $6 Preferred Stock, amounting to $9,288,-480.00 ($24.00 per share) and on the Second Preferred Stock, Series A ($7), amounting to $96,388,042.10 ($36.75 per share) at December 31, 1935. 2228

3. United States Federal income tax returns for the years prior to 1934, filed on the basis of consolidated corporate income, have been examined by the Treasury Department, but additional taxes proposed for certain of these years have not been finally determined; the accrued liability for such years included in the above balance sheet is considered sufficient, exclusive of interest. The returns for 1934 and 1935, on the basis of separate corporate income realized, or considered realizable, have not been finally examined by the Treasury Department and the adequacy of the accrued liability as to those years included in the above balance sheet is subject to final determination by the Treasury Department. 2229

4. The assets and liabilities set forth in the above statement represent the individual accounts of the Company as distinguished from those resulting from consolidation with its subsidiaries. The surplus thus shown is subject, in respect to its derivation from such subsidiaries, to the explanations contained in the accompanying consolidated statements and the related accountants' certificate.

Exhibit 12

2230

CONSOLIDATED BALANCE SHEET

2231

AMERICAN & FOREIGN POWER COMPANY INC. AND SUBSIDIARIES

December 31, 1935

(opposite page)

2232

Exhibit 12 (Continued)

CONSOLIDATED BALANCE SHEET

AMERICAN & FOREIGN POWER COMPANY INC. AND SUBSIDIARIES

December 31, 1935

ASSETS

PLANT, PROPERTY, FRANCHISES, ETC.			$689,174,498.86
INVESTMENTS—AT LEDGER VALUE (market quotations generally not available)			4,353,342.46
CASH, U. S. GOVERNMENT SECURITIES AND RECEIVABLES:			
Cash in Banks—On Demand (including $15,294,262.70 U. S. Currency on deposit in the United States)		$19,140,370.23	
U. S. Government Securities—At Cost or less (valuation based on market quotations, $794,395.00)		786,087.51	
Notes Receivable:			
Banco do Brasil—$1,029,796.25 (less unearned interest of $64,838.63), due in monthly instalments until July 1, 1939	$ 964,957.62		
Argentine Government—$815,920.80 (less unearned interest of $101,437.60), due in monthly instalments until December 1, 1948	714,483.20		
For Sale of Securities of Subsidiary (securities of such subsidiary held as collateral)	202,288.72		
Miscellaneous	707,720.27	2,589,449.81	
Accounts Receivable:			
Customers (exclusive of foreign municipal and other governments)		3,999,301.71	
Subscribers for Capital Stock (including subscriptions from employees)		20,314.03	
Miscellaneous		418,986.26	26,954,509.55
MATERIALS AND SUPPLIES—INCLUDING CONSTRUCTION MATERIALS (companies' valuation on basis of cost)			8,933,950.82
SUNDRY ASSETS:			
Prepaid Accounts—Insurance, Taxes, Rents, Etc.		$ 200,486.27	
Cash Surrender Value of Life Insurance Policies		289,817.00	
Working Funds (plant managers and petty cash funds), Sundry Advances, Etc.		354,775.57	845,078.84
SINKING FUNDS AND SPECIAL DEPOSITS			1,029,908.78

Exhibit 12 (Continued)

2236

2237

CONSOLIDATED BALANCE SHEET

AMERICAN & FOREIGN POWER COMPANY INC.
AND SUBSIDIARIES

December 31, 1935

(opposite page)

2238

Exhibit 12 (Continued)

DUE FROM FOREIGN MUNICIPAL AND OTHER GOVERNMENTS:			
Balance on Service Billings, etc., (principally past due):			
Accounts arising prior to 1935	$12,177,515.61		
Accounts arising in 1935	2,502,627.98	$ 14,680,143.59	
Bonds received principally in settlement of service billings, etc.; includes $490,476.71 which have an aggregate value at December 31, 1935 of $396,195.00 based upon price quotations obtained from foreign or domestic sources		912,153.99	
Total		$ 15,592,297.58	
Less reserves and deferred credits to income		7,756,654.35	
Remainder		$ 7,835,643.23	
Chilean Government Notes (maturing U. S. $27,881.57 annually)		1,059,499.57	
Loan to City Government of Greater Shanghai—Chinese Dollars, 1,500,000, due in annual instalments beginning January 4, 1941 through January 4, 1965		519,712.06	
Refundable Deposit, State of Rio Grande do Sul, Brazil (U. S. Dollars)		470,059.94	
Accrued Interest Receivable		99,214.87	9,984,129.67
DEFERRED CHARGES:			
Unamortized Debt Discount and Expense		$ 8,999,696.91	
Improvements to Leased Property		108,704.27	
Miscellaneous Suspense—Debits		184,724.45	9,293,125.63
TOTAL			$750,568,544.61

Exhibit 12 (Continued)

2242

CONSOLIDATED BALANCE SHEET

2243

AMERICAN & FOREIGN POWER COMPANY INC.
AND SUBSIDIARIES

December 31, 1935

(opposite page)

2244

Exhibit 12 (Continued)

LIABILITIES

CAPITAL STOCK—AMERICAN & FOREIGN POWER COMPANY INC. (no par value):			
Represented by:			
Preferred ($7), cumulative (entitled upon liquidation to $100 a share and accumulated dividends); pari passu with $6 Preferred; authorized, 900,000 shares; issued and outstanding, 478,995 shares,			
$6 Preferred, cumulative (entitled upon liquidation to $100 a share and accumulated dividends); pari passu with Preferred ($7); authorized, 2,000,000 shares; issued and outstanding, 387,025.65 shares, inclusive of 5.65 shares of scrip,			$393,940,452.38
Second Preferred, Series A ($7), cumulative (entitled upon liquidation to $100 a share and accumulated dividends); authorized, 3,000,000 shares; issued and outstanding, 2,622,862 shares,			
Common; authorized, 10,000,000 shares; issued and outstanding, 1,980,734 shares,			
Option Warrants to purchase 6,744,998.8 shares of Common Stock for $25.00 per share (one share of Second Preferred Stock, Series A ($7), acceptable, in lieu of cash, with Warrants for four shares, in full payment for four shares of Common Stock),			
Capital Stock Subscribed—Allotment Certificates, $480.00,			
CAPITAL STOCK (AND RELATED SURPLUS) OF SUBSIDIARIES, HELD BY PUBLIC:			
Preferred Stocks:			
Issued and Outstanding—Net Paid-in Values	$43,472,373.06		
Subscribed—Not Issued	1,278.77		
Undeclared Cumulative Dividends	5,664,933.06	$ 49,138,584.89	
Common Stocks:			
Issued and Outstanding—Net Paid-in Values	$ 8,860,512.80		
Less Net Deficit Applicable to Minority Interests	855,818.69	8,004,694.11	57,143,279.00
FUNDED DEBT (including 1936 maturities of $2,672,135.59):			
Dollar Obligations:			
American & Foreign Power Company Inc.:			
Gold Debentures, 5% Series due 2030	$50,000,000.00		
Notes Payable, due October 26, 1938 (see notation 1)—to Banks $31,907,048.07; to Electric Bond and Share Company $7,976,762.02	39,883,810.09		
Note Payable to Electric Bond and Share Company, due November 15, 1938	35,000,000.00		
Subsidiaries	26,690,450.00	$151,574,260.09	
Foreign Currency Obligations:			
Various			
At Current Rates	$47,821,676.09		
Exchange Differential	5,103,175.67	52,924,851.76	204,499,111.85

Exhibit 12 (Continued)

2248

2249

CONSOLIDATED BALANCE SHEET

AMERICAN & FOREIGN POWER COMPANY INC.
AND SUBSIDIARIES

December 31, 1935

(opposite page)

2250

Exhibit 12 (Continued)

CURRENT LIABILITIES (exclusive of funded debt 1936 maturities aggregating $2,672,135.59):			
Notes and Loans Payable by Subsidiaries		$ 143,897.30	
Dividends Declared		163,302.72	
Accounts Payable		1,608,246.26	
Accrued Accounts:			
Taxes		4,578,185.25	
Interest		2,683,688.03	
Miscellaneous		588,343.31	
Matured Funded Debt		68,022.25	
Matured Interest Unpaid		77,760.23	
Miscellaneous (taxes withheld, etc.)		780,236.89	10,691,682.24
DEFERRED LIABILITIES:			
Customers' Deposits		$ 2,919,583.98	
Employees' Superannuation—Shanghai Power Company		559,143.37	
Miscellaneous, including accumulation of premiums on bonds payable, etc.		487,762.69	3,966,490.04
DEFERRED CREDITS			226,665.18
RESERVES:			
Relating to Fixed Capital:			
Property Retirement	$48,712,354.95		
Statutory and Contingency	6,817,686.47	$ 55,530,041.42	
Relating to Working Capital:			
Uncollectible Accounts	$ 839,714.29		
Casualty and Insurance	880,569.28		
Inventory Adjustment	376,925.20		
Miscellaneous	368,502.87	2,465,711.64	57,995,753.06
EARNED SURPLUS			22,105,110.86
TOTAL			$750,568,544.61

Exhibit 12 (Continued)

CONSOLIDATED BALANCE SHEET

2254 AMERICAN & FOREIGN POWER COMPANY INC.
AND SUBSIDIARIES

December 31, 1935

NOTATIONS ON AMERICAN & FOREIGN POWER COMPANY IN
CONSOLIDATED BALANCE SHEET

1. On April 10, 1936 the Notes Payable due October 26, 19
were reduced by a payment of $2,383,810.09 and now total $37,500,0
of which $7,500,000 is held by Electric Bond and Share Compa
Under the terms of the extension agreement whereby the matur
dates of these notes were extended from October 26, 1935, to Octo
26, 1938, American & Foreign Power Company Inc. agreed to ap
2255 ratably to the reduction of said notes so much of the net proceeds
the sale of any securities or capital assets by the Company or any
its direct or indirect subsidiaries (other than intercompany sales)
could be made legally available which (1) should be in excess o
reasonable allowance for working funds and necessary constructi
of additions, betterments or improvements of or to existing plants
systems, (2) shall not be used to pay at maturity any existing de
(or renewals) and (3) can be transferred into United States doll
without unreasonable expenses for such transfer.

2. Dividends on the Preferred Stock ($7) and $6 Preferr
Stock of American & Foreign Power Company Inc., which are cum
lative, have been paid to December 31, 1931; dividends on the Seco
Preferred Stock, Series A ($7), which are cumulative, have be
2256 paid to September 30, 1930. No provision has been made in t
above statement for undeclared cumulative dividends on the P
ferred Stock ($7), amounting to $13,411,860.00 ($28.00 per share
on the $6 Preferred Stock, amounting to $9,288,480.00 ($24.00 p
share), and on the Second Preferred Stock, Series A ($7), amou
ing to $96,388,042.10 ($36.75 per share) at December 31, 1935.

3. Claims for foreign government taxes and other foreign g
ernmental impositions, injury and damage claims and contingent
possible liabilities, disputed or not ultimately determined, genera
are stated through provision of reserves, and the adequacy of su
reserves is subject to the ultimate determination of liability. Uni
States Federal income tax returns for the years prior to 1934,
American & Foreign Power Company Inc. and Subsidiaries, ha

Page Tightly Bound

Exhibit 12 (Continued)

been examined by the Treasury Department, but additional taxes proposed for certain of these years have not been finally determined; the accrued liability and reserves for such years included in the above balance sheet are considered sufficient, exclusive of interest. The returns for 1934 and 1935, on the basis of separate corporate income realized, or considered realizable, have not been finally examined by the Treasury Department and the adequacy of the accrued liability as to those years included in the above balance sheet is subject to final determination by the Treasury Department. 2257

4. No provision has been made in the above balance sheet for fines and penalties assessed against the principal operating subsidiary in Chile, Compania Chilena de Electricidad Limitada, amounting to 55,278,293 pesos, equivalent to approximately $2,100,000 at the December 31, 1935 rate of exchange.

5. The United States dollar equivalents of foreign currency assets and liabilities have been computed as follows: 2258

(a) The accounts which reflect capital assets and liabilities, i.e., plant, investments (exclusive of foreign currency bonds), unamortized debt discount and expense, capital stock, funded debt, deferred purchase money obligations, property retirement reserves, and statutory and contingency reserves, are stated in United States dollars at amounts which represent, as nearly as is practicably determinable, the dollar values at the various dates when the transactions reflected in the residual balances of such accounts took place;

(b) Other assets and liabilities (including foreign currency bonds carried as investments) are stated at the exchange rates prevailing at the balance sheet date. The currencies of Cuba, Guatemala and Panama have been regarded as being at parity with the United States dollar. The United States dollar equivalents of all other foreign currencies have been expressed at free market or unrestricted exchange rates. Where available, the rates used are those quoted by the Federal Reserve Bank of New York; rates not quoted by the Federal Reserve Bank of New York have been obtained from representative banks or from published quotations. 2259

6. Intercompany-held securities of subsidiaries, eliminated in the foregoing, includes certain securities pledged to the public as set forth in the detailed schedule of funded debt; they are exclusive of preferred stock of a subsidiary reacquirable under proposals made therefor at an aggregate consideration of $66,736.00, not reflected in the foregoing balance sheet.

2260

Exhibit 18

COMPARATIVE BALANCE SHEET

2261

BOND AND SHARE

December 31, 1934 and 1935

(opposite page)

2262

Exhibit 13 (Continued)

COMPARATIVE BALANCE SHEET
BOND AND SHARE

December 31, 1934 and 1935

ASSETS

CURRENT ASSETS:	December 31, 1935	December 31, 1934
Cash in Banks—On Demand	$ 11,787,207.19	$ 15,227,122.86
Cash in Banks—Time Deposits	21,275,129.67	23,094,549.21
Short-Term Securities—United States Government (Valuation at Market Quotations of Securities owned at December 31, 1935, was at that date $903,000 and of Securities owned at December 31, 1934, was at that date $2,580,800)	901,402.67	2,529,805.85
Short-Term Securities—Other (Valuation at Market Quotations of Securities owned at December 31, 1935, was at that date $1,995,000 and of Securities owned at December 31, 1934, was at that date $1,017,300)	1,994,461.82	1,016,593.19
Accounts Receivable	95,545.05	310,568.53
Accrued Interest Receivable	889,667.43	922,454.34
TOTAL CURRENT ASSETS	$ 36,743,413.83	$ 43,101,093.98

Exhibit 13 (Continued)

2266

2267

COMPARATIVE BALANCE SHEET

BOND AND SHARE

December 31, 1934 and 1935

(opposite page)

2268

Exhibit 13 (Continued)

INVESTMENTS (LEDGER VALUE):

	December 31, 1935	December 31, 1934
Notes Receivable from:		
†American & Foreign Power Company, Inc.	$ 42,976,762.02	$ 43,223,466.00
United Gas Corporation	28,925,000.00	25,925,000.00
Bonds:		
Northern Texas Utilities Company, 6% First Mortgage, due November 1, 1940, extended from January 1, 1936 (entire issue)	1,280,000.00	1,400,000.00
Texas Power & Light Company, 4¾% First Mortgage, due 1965—$4,800,000 principal amount	5,037,120.00	.....
Miscellaneous (Valuation at Market Quotations of Bonds owned at December 31, 1935, was at that date $5,951,000 and of Bonds owned at December 31, 1934, was at that date $4,239,900)	4,660,486.04	4,162,926.48
††Cuban Electric Company, 6% Debentures, due May 1, 1948	20,000,000.00	20,000,000.00
Stocks and Option Warrants of American & Foreign Power and the major Holding Defendants (Valuation at Market Quotations of Securities owned December 31, 1935, was at that date $143,763,000 and of Securities owned at December 31, 1934, was at that date $83,289,000)	402,137,932.90	402,137,912.90

† At December 31, 1935, $7,976,762.02 of notes were due October 26, 1938, and a $35,000,000 note was due November 15, 1938. The latter note similarly to that for the same amount held at December 31, 1934, which it replaces, is subordinated to other indebtedness of American & Foreign Power Company, Inc., consisting of bank loans of $31,907,048.07, debentures of $50,000,000 and said $7,976,762.02 of notes due October 26, 1938; such subordination to continue until said bank loans of American & Foreign Power Company, Inc., are paid.

†† The interest rate on Cuban Electric Company 6% Debentures has been reduced, by agreement, for the six months ended April 30, 1935, to a rate of 1½% per annum and for the period from May 1, 1935, to October 31, 1937, to a rate of 4% per annum and interest has been accrued at these rates.

Exhibit 13 (Continued)

2272

2273

COMPARATIVE BALANCE SHEET

BOND AND SHARE

December 31, 1934 and 1935

(opposite page)

2274

Exhibit 13 (Continued)

INVESTMENT (Ledger Value) Continued.	December 31, 1935		December 31, 1934
Other Securities (Valuation at Market Quotations of Securities owned at December 31, 1935, was at that date $5,352,000 and of Securities owned at December 31, 1934, was at that date $3,166,000)	6,670,972.44	9,781,055.95	
Wholly Owned Subsidiaries:			
Securities (less reserve at December 31, 1934 of $1,284,860.11 appropriated from Capital Surplus)	2,610,000.00	937,122.08	
Loans Receivable	.....	441,247.05	
TOTAL INVESTMENTS	514,298,273.40		508,008,730.46
PREPAYMENTS	100,674.13		19,268.59
DEFERRED CHARGES	774,893.50		839,503.12
TOTAL	$551,917,254.86		$551,968,596.15

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable	$ 163,291.88		$ 170,327.23
Dividends Declared on Preferred Stocks	2,108,482.50		2,108,482.50
Taxes Accrued	1,771,369.97		1,877,048.14
TOTAL CURRENT LIABILITIES	$ 4,043,144.35		$ 4,155,857.87
*CAPITAL STOCK	171,901,233.78		171,901,233.78
Reserves (Appropriated from Capital Surplus)	4,803,302.72		4,803,302.72
Surplus:			
Capital	$313,842,885.06	$314,676,734.57	
Earned	57,326,688.95	56,431,467.21	
TOTAL SURPLUS	371,169,574.01		371,108,201.78
TOTAL	$551,917,254.86		$551,968,596.15

NOTATIONS:

* Represented by:

		Shares Authorized December 31, 1935	Shares Outstanding December 31, 1935	Shares Outstanding December 31, 1934
$5 Preferred Stock	(No Par Value—Stated Value $100 a share; Entitled upon liquidation to $100 a share and Accumulated Dividends)	1,000,000	300,000	300,000
$6 Preferred Stock		2,500,000	1,155,655	1,155,655
Common Stock and Scrip ($5 Par Value)		20,000,000	5,267,147	5,267,147

2278

Exhibit 14

2279 **AMERICAN GAS AND SUBSIDIARIES**
CORPORATE STRUCTURE

December 31, 1935

(opposite page)

2280

Exhibit 14

AMERICAN GAS AND SUBSIDIARIES—CORPORATE STRUCTURE
DECEMBER 31, 1935

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRED				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by American Gas and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value
American Gas and Electric Company	Holding Company	Debentures 5% due 2028	$50,000,000.00	None	Preferred $6	No	Yes	355,623	$33,715,837.0
Appalachian Electric Power Company	Holding-Operating Company Electric Service	First and Refunding Gold Bonds, 5% Series of 1956	62,525,000.00	$26,588,000 by American Gas 19,000.00 by St. Joseph Heating Co.	Preferred $6	No	No	63,891	6,389,100.0
					Preferred $7	No	No	271,683	27,168,300.0
Appalachian Power Company	Dissolved	Secured Gold Bonds, 7% due Aug. 1, 1936	2,500,000.00	None					
		First Mortgage 5% Sinking Fund Gold Bonds due 1941	9,340,000.00	None					
		General Mortgage 7% Gold Bonds due 1936	6,000,000.00	6,000,000.00 Pledged under 1936 Bonds					
		Gold Debentures, 6% due July 1, 2024	4,000,000.00	None					
Virginian Power Company	Dissolved	First and Collateral Trust Mtg. 5% Gold Bonds, 1942	5,178,000.00	53,000.00 by American Gas					
Atlantic City Electric Company	Electric & Heating Service	First and Refunding Mtg. Sinking Fund Gold Bonds, 5% due Mar. 1, 1938	1,823,000.00	15,000.00 by American Gas	Preferred $6	No	No	56,875	5,687,500.
		First and Refundng Mtg. Gold Bonds, due Apr. 1, 1956	12,914,000.00	9,176,000.00 by American Gas					
Electric Company of New Jersey	Dissolved	First Mtg. Gold Bonds, 5% due Mar. 1, 1947	2,059,000.00	834,500.00 by American Gas					
Indiana General Service Company	Electric and Heating Service	1st Mtg. Gold Bonds, 5% due Jan. 1, 1948	3,907,900.00	None	Preferred 6%	Yes	No	3,971,100.00	24,3

* Appalachian Electric Power Company Capital Stock is one undivided amount, $53,500.167. For purpose of this statement only subdivision is made by computing preferred stock at the liquidating preference, namely, $100 a share.

EFERRED STOCK				TOTAL AMOUNT OF COMMON STOCK		
Total Par or Stated Value	Number of Shares Owned by American Gas and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Gas and/or Subsidiaries
$33,715,837.05	None	No	Yes	4,482,737 31/50	$44,827,376.95	None
6,389,100.00 *	34,805 by American Gas	No	Yes	5,969,977	19,942,767.00 *	5,969,977
27,168,300.00 *	136,770 by American Gas					
5,687,500.00	30,592 by American Gas	No	Yes	1,150,000	11,481,240.56	1,150,000
24,347	24,347 by American Gas	$100	Yes	30,000	3,000,000.00	30,000

Exhibit 14 (continued)

2284

2285

AMERICAN GAS AND SUBSIDIARIES
CORPORATE STRUCTURE

December 31, 1935

(opposite page)

2286

Exhibit 14 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERR				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by American Gas and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Pa Stated Va
American Gas—Continued									
Indiana & Michigan Electric Company	Electric Service	1st Mtg. Gold Bonds, 5% due Aug. 1, 1957	$5,959,000.00	None	Preferred 7%	Yes	No	39,585	$3,958,5
		1st & Rfdg. Mtg. Gold Bonds, 5%, due Mar. 1, 1955	19,524,000.00	8,241,000.00 by American Gas					
				25,000.00 by St. Joseph Heating Co.	Preferred 6%	Yes	No	35,718	3,571,8
Kentucky & West Virginia Power Company	Electric Service	1st Mtg. Gold Bonds, 5% due Apr. 1, 1956	8,499,000.00	8,499,000.00 by Appalachian Electric Power Co.	Preferred 6%	Yes	No	8,020	802,0
Kingsport Utilities, Incorporated	Electric Service	1st Mtg. Gold Bonds, 5% due May 1, 1956	1,044,000.00	1,044,000.00 by Appalachian Electric Power Co.	Preferred $6	No	No	5,000	500,0
The Ohio Power Company	Electric, Water and Heating Service	1st & Rfdg. Mtg. Gold Bonds 5%, due 1952	13,794,500.00	None	Preferred 6%	Yes	No	198,065	19,806,5
		1st & Rfdg. Mtg. Gold Bonds 4½%, due 1956	44,661,000.00	15,306,000.00 by American Gas					
		Gold Debenture Bonds, 6% due June 1, 2024	2,000,000.00	None					
The Canton Electric Company	Dissolved	1st & Rfdg. Mtg. Snkg. Fund Gold Bonds, 5%, due May 1, 1937	847,000.00	18,500.00 by American Gas					
The Ohio Light & Power Company	Dissolved	1st Mtg. Gold Bonds, 5%, due May 1, 1944	985,500.00	None					
The Scranton Electric Company	Electric and Heating Service	1st & Rfdg. Mtg. Gold Bonds, 5%, due 1957	2,561,000.00	2,561,000.00 by American Gas	Preferred $6	No	No	53,248	5,324,8
Scranton Electric Company	Dissolved	1st & Rfdg. Mtg. Gold Bonds, 5%, due 1937	5,756,000.00	None					
Wheeling Electric Company	Electric Service	1st Mtg. Gold Bonds, 5% due May 1, 1941	2,840,000.00	None	Preferred 6%	Yes	No	25,828	2,582,8
Kanawha Valley Power Company	Electric Production								
Southern Ohio Public Service Company	Electric Production								
St. Joseph Heating Company	Heating Service								
Twin Branch Railroad Company	Short Line Railroad								

PREFERRED STOCK			TOTAL AMOUNT OF COMMON STOCK				
ares less ld y d	Total Par or Stated Value	Number of Shares Owned by American Gas and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Gas and/or Subsidiaries
	$3,958,500.00	514 by American Gas 340 by St. Joseph Heating Co.	No	Yes	720,260	$9,560,775	720,260
	3,571,800.00	35,473 by American Gas					
	802,000.00	8,020 by Appalachian Electric Power Co.	$25	Yes	133,821	3,345,525	133,821
	500,000.00	5,000 by Appalachian Electric Power Co.	No	Yes	100,000	500,000	100,000
	19,806,500.00	28,662 by American Gas	No	Yes	3,556,403	17,782,015	3,556,403
	5,324,800.00	3,326 by American Gas	No	Yes	2,500,000	6,071,866	2,500,000
	2,582,800.00	972 by American Gas	No	Yes	142,846	1,428,460	142,846
			No	Yes	500	5,000	500
			No	Yes	25,928	129,640	25,928
			$100	Yes	3	300	3
			$100	Yes	525	52,500	525

Exhibit 15

2290

BALANCE SHEET

AMERICAN GAS

Dec. 31, 1935

ASSETS

	Dec. 31, 1935
Investments:	
Securities of Subsidiary Companies	$140,083,748.08(a)
Miscellaneous Stocks and Bonds (At Cost or Nominal Value)	310,833.00
2291 Total Investments	140,394,581.08
Advances to Subsidiary and Jointly Owned Companies	6,615,710.29
Current Assets:	
Cash including Time Deposits	14,408,082.99
Federal, State and Municipal Securities (Quoted Market Value $5,196,086.25)	5,130,648.59
Accounts Receivable	24,731.61
Accounts Receivable—Affiliated Companies	1,152,421.34
Employes Accounts Receivable, Advances for Expenses, etc.	10,011.27
2292 Total Current Assets	20,725,895.80
Unamortized Debt Discount and Expense	5,798,690.04
Total	$173,534,877.21

(a) Includes, in addition to Common Stock, Bonds and Preferred Stoc of aggregate par or book value in excess of $90,000,000.00.

Exhibit 15

LIABILITIES, CAPITAL STOCK AND SURPLUS

2293

DED DEBT:	
5% Debentures due 2028	$ 50,000,000.00
RENT LIABILITIES:	
Accounts Payable	18,607.76
Accrued Interest, Dividends and Taxes, etc.	865,838.09
Total Current Liabilities	884,445.85
ljusted Credits	201.58
ingent Liabilities	1.00(b)
RVES:	
Federal Income Taxes	152,036.64
Contingencies	2,088,389.86
Total Reserves	2,240,426.50

2204

2295

The Company guarantees the principal and interest of $8,920,000 of Bonds of Subsidiary Companies.

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Exhibit 15

	CAPITAL STOCK: (c)	
2296	Preferred Stock, $6 No Par Value	37,276,369.14
	Less: Reacquired Stock	3,560,532.09
		33,715,837.05
	Common Stock, No Par Value	44,888,668.95
	Less: Reacquired Stock	61,292.00
		44,827,376.95
	Earned Surplus	41,866,588.28
2297	Total	$173,534,877.21

(c) Represented by:

Preferred Stock, No Par Value $6 Cumulative Dividends (Entitled to Preference over Common Stock, in Case of Liquidation, to $100 Per Share and Accrued Dividends)	**Shares**
Authorized	600,000
Issued	396,559
Reacquired	40,936
2298 Held by Public	355,623
Common Stock, No Par Value	
Authorized	8,000,000
Issued	4,488,866-44/50
Reacquired	6,129-10/50
Held by Public	4,482,737-31/50

Exhibit 16

CONSOLIDATED BALANCE SHEET

AMERICAN GAS AND SUBSIDIARY COMPANIES

2299

(Intercompany Securities and Accounts Eliminated)

Dec. 31, 1935

ASSETS

VESTMENTS:		
Fixed Capital	$399,455,038.80	
Contractual Construction	498,528.40	
Stocks and Bonds of Other Companies (At Cost or Nominal Value)	1,480,482.22	
lvances to Jointly Owned Companies	2,179,966.92	
nking Fund and Special Deposits	267,911.00	2300
RRENT ASSETS:		
Cash including Time Deposits	23,155,997.91	
Municipal Scrip	68,810.67	
Federal, State and Municipal Securities (Quoted Market Value $11,716,123.33)	11,547,882.88	
Municipal Warrants, Notes, etc. (At Cost, not Quoted)	77,199.32	
Notes Receivable	185,092.40	
Accounts Receivable	10,302,712.61	
Accounts Receivable—Jointly Owned Companies	2,207.04	
Employes Accounts Receivable, Advances for Expenses, etc.	57,194.07	2301
Materials and Supplies	4,477,929.59	
Total Current Assets	49,874,476.49	
namortized Debt Discount and Expense	12,517,759.50	
NADJUSTED DEBITS:		
Cash in Closed Banks and Restricted Deposits	500,614.90	
Prepaid Expenses	511,905.51	
Miscellaneous	412,762.80	
Total Unadjusted Debits	1,425,283.21	
Total	$467,699,446.54	

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Exhibit 16

LIABILITIES, CAPITAL STOCK AND SURPLUS

2302

FUNDED DEBT:	
American Gas and Electric Company	
5% Debentures due 2028	$ 50,000,000.0
Subsidiary Companies,	140,337,900.0
Total	190,337,900.0
CURRENT LIABILITIES:	
Accounts Payable	2,410,075.4
Accounts Payable—Jointly Owned Companies	197,313.4
Customers' Deposits	2,110,740.5
2303 Accrued Interest, Dividends and Taxes, etc.	9,032,768.2
Total Current Liabilities	13,750,897.8
Contractual Liabilities	268,804.3
Unadjusted Credits	429,143.7
RESERVES:	
Depreciation	37,506,548.1
Other Reserves	12,992,135.6
Total Reserves	50,498,683.7
2304	
CAPITAL STOCK:	
American Gas and Electric Co.,	
Preferred Stock, $6 No Par Value	37,276,369.1
Less: Reacquired Stock	3,560,532.0
	33,715,837.0
Common Stock, No Par Value	44,888,668.9
Less: Reacquired Stock	61,292.0
	44,827,376.9

* Includes $2,500,000 bonds due in 1936.

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Exhibit 16

Subsidiary Companies, Preferred Stock, $100 Par Value	24,859,900.00	2305
Preferred Stock, No Par Value	23,838,278.64	
Total Capital Stock	127,241,392.64	
t excess of stated value of securities of subsidiaries over the amount at which such securities are carried by the American Gas and Electric Company (This difference arises from the elimination of inter-company held securities)	16,842,896.65	
quired Surplus of Subsidiaries	4,235,889.62	
rned Surplus	64,093,838.01	2306
Total Surplus	68,329,727.63	
Total	$467,699,446.54	

2307

Page Tightly Bound

2308

Exhibit 17

2309 AMERICAN COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2310

Exhibit 17

AMERICAN COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE †

November 30, 1935

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRE				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by American Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value
American Power & Light Company	Holding Company	Gold Debenture Bonds American 6% Series, due 3/1/2016	$43,420,500.00	$ None	Preferred ($6)	No	Yes	793,581 2/10A	$79,358,120.00
		Southwestern Power & Light Co. 6% Gold Debenture Bonds, Series A, due 3/1/2022	4,159,000.00	None	$5 Preferred	No	Yes	978,444	97,844.400.00
American Power & Light Company Inc. N. Y.	Name Saving Company Inactive	All securities owned by American Company.							
Big Bend Transit Company	(1) Development Company Inactive	All securities owned by American Company							
Central Arizona Light and Power Company	Electric and Gas Utility Service	First Mortgage Gold Bonds 5% Series, due 6/1/60	7,500,000.00	None	$7 Preferred	No	Yes	7,488	748,800.00
					$6 Preferred	No	Yes	9,273	927,300.00
Florida Power & Light Company	Electric and Gas Utility, Ice Service	First Mortgage Gold Bonds 5% Series, due 1/1/54	52,000,000.00	None	$7 Preferred	No	No	156,144 C	15,614,400.00
		Six Per Cent Gold Debenture Bonds Series A, due 12/31/51	22,000,000.00	22,000,000.00 by American Company	$6 Preferred	No	No	10,000	1,000,000.00
		6% Note due on or before 11/26/40	1,030,000.00	1,030,000.00 by American Company	$7 Second Preferred	No	No	20,000	2,000,000.00
Consumers Water Company	(2) Water Utility Service	All securities owned by Florida Power & Light Company							
The Miami Beach Railway Company	(3) Transportation Service	All securities owned by Florida Power & Light Company							
Miami Water Company	(4) Water Utility Service	All securities owned by Florida Power & Light Company							

† Notations applicable to the entire chart appear on the last page of this exhibit.

(1) Owns non-utility land in Washington.
(2) Renders water service to six small communities in Florida.
(3) Renders transportation service in Miami and in Miami Beach, Florida.
(4) Renders water service in Miami, Miami Shores and Miami Beach, Florida.

PREFERRED STOCK				TOTAL AMOUNT OF COMMON STOCK		
Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries
$79,358,120.00 *	None	No	Yes	3,008,511 27/50 B	$37,413,182.93 *	None (Other than reacquired by American Company)
97,844.400.00 *	None					
748,800.00 *	None	No	Yes	840,000	1,529,468.00 *	839,997 by American Company
927,300.00 *	None					
15,614,400.00 *	13,477 by American Company	No	Yes	2,500,000	29,962,212.00 *	2,500,000 by American Company
1,000,000.00 *	10,000 by American Company					
2,000,000.00 *	20,000 by American Company					

Exhibit 17 (Continued)

2314

2315 AMERICAN COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2316

Exhibit 17 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFER				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by American Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Tota or S Va
American Company—Continued									
Kansas Gas and Electric Company	Electric Utility Service	First Mortgage Gold Bonds 4½% Series, due 6/1/80	16,000,000.00	None	7% Preferred	$100	Yes	62,618	6,2
		Six Per Cent Gold Debenture Bonds Series A, due 9/1/2022	3,000,000.00	None	$6 Preferred	No	No	13,743	1,4
Limestone Company, The	(5) Land Company Inactive	All securities owned by American Company							
Minnesota Power & Light Company	Electric and Steam Heating Service	First and Refunding Mortgage Gold Bonds 5%, due 6/1/55	10,700,000.00	None	7% Preferred	$100	Yes	80,064	8,0
		First and Refunding Mortgage Gold Bonds 4½%, due 5/1/78	18,000,000.00	None					
		Great Northern Power Company First Mortgage 5% Gold Bonds (including extended to 2/1/50)	6,285,000.00	None	6% Preferred	$100	Yes	1,130	1
					$6 Preferred	No	Yes	70,567	7,0
Montana Power Company, The	Electric, Gas, Water, Irrigation and Steam Heating Service	5% Gold Debenture Series A, due 6/1/62	12,500,000.00	None	$6 Preferred	No	No	159,406	15,8
		First and Refunding 5% Sinking Fund Gold Bonds, due 7/1/43	27,757,600.00	2,595,300.00 by American Company					
		Butte Electric and Power Company 5% First Mortgage Gold Bonds, due 6/1/51	3,025,000.00	None					
		5 Year 6% Note, due 2/1/40	1,452,425.00	1,452,425.00 by American Company					
		Helena Gas and Electric Company First Mortgage Gold Bonds 6% Series, due 1/1/52	702,800.00	None					

(5) Owns non-utility land in Idaho.

T OF PREFERRED STOCK

Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries
62,618	6,261,985.00	None
13,743	1,401,973.50	None
80,064	8,006,400.00 *	858 by American Company
1,130	113,000.00 *	329 by American Company
70,567	7,056,700.00 *	770 by American Company
159,406	15,851,473.00	None

TOTAL AMOUNT OF COMMON STOCK

Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries
No	Yes	600,000	6,000,000.00	600,000 by American Company
$10	Yes	2,000,000	19,498,300.00 *	1,999,985 by American Company
No	Yes	2,481,665	49,633,300.00	2,475,568 by American Company

Exhibit 17 (Continued)

2320

2321

AMERICAN COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2322

Exhibit 17 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOT
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by American Company and/or Subsidiaries	Title
American Company—Continued					
Montana Power Company, The—Continued					
Great Falls Townsite Company	(6) Real Estate	All securities owned by The Montana Power Company			
Idaho Transmission Company	(7) Electric Utility Service	F All securities owned by The Montana Power Company			
Rocky Mountain Power Company	Owns Partially constructed Hydro-electric development in Montana	F All securities owned by The Montana Power Company			
Montana Power Gas Company	Natural Gas Production and Transmission Service	Ten Year 6% Note, due 12/31/42	6,000,000.00	6,000,000.00 by American Company	
Nebraska Power Company	Electric Utility Service	6% Gold Debenture Bonds Series A, due 9/1/2022	3,500,000.00	None	7% Prefe
		First Mortgage Gold Bonds 4½% Series, due 6/1/81	16,500,000.00	None	6% Prefe
Citizens Power & Light Company	Electric Utility Service	F All securities owned by Nebraska Power Company			
New Mexico Electric Service Company	Electric Utility Service	6% Note, due on or before 11/25/40	517,661.95	517,661.95 by American Company	
Northern Power Company	Electric Utility Service	F All securities owned by American Company			
Northwestern Electric Company	Electric Utility-Steam Heat Service	First Mortgage Twenty Year Sinking Fund 6% Gold Bonds due 5/1/45	$6,510,500.00	None	First Pr ferred
		6% Demand Loan	2,819,609.51 D	$2,819,609.51 by American Company	Preferre

(6) Owns non-utility properties in Montana.

(7) Properties acquired by The Montana Power Company in 1936.

TOTAL AMOUNT OF PREFERRED STOCK						TOTAL AMOUNT OF COMMON STOCK				
Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries
						No	Yes	183,596	1,836,560.00	183,589 by American Company
referred	$100	Yes	51,962	5,196,200.00	None	No	Yes	1,000,000	5,000,000.00	949,738 by American Company
referred	$100	Yes	22,561	2,256,100.00	None					
						No	Yes	37,500	750,000.00	37,495 by American Company
						$100	Yes	250	$ 25,000.00	247 by American Company
Pre- d	$100	Yes	47,111	$ 4,711,100.00	None	$100	Yes	100,000	10,000,000.00	99,996 by American Company
ed	$100	Yes	734	73,400.00	None					

Exhibit 17 (Continued)

2326

2327

AMERICAN COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2328

Exhibit 17 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFER				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by American Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Tot or S V
American Company—Continued									
Pacific Power & Light Company	Electric, Steam Heating & Water Service	First Mortgage and Prior Gold Bonds			7% Preferred	$100	Yes	56,424	5,642,
		5% Series, due 8/1/55	20,500,000.00	None	$6 Preferred	No	No	10,585	1,058,
		6% Note due on or before 11/25/40	3,194,500.00	3,194,500.00 by American Company					
Inland Power & Light Company	Production & Transmission of Electric Energy for sale at wholesale	F All securities owned by Pacific Power & Light Company							
Pike Rapids Power Company	Development Company; Inactive	F All securities owned by American Company							
Portland Gas & Coke Company	Gas Utility Service	First and Refunding Mortgage Five Per Cent Gold Bonds, due 1/1/40	6,674,000.00	None	7% Preferred	$100	Yes	53,985	5,398,
		First Lien and General Mortgage Gold Bonds Series of 4½s, due 1/1/40	3,000,000.00	None	6% Preferred	$100	Yes	8,712	871,
		Portland Gas Co. First Mortgage 5% Gold Bonds due 8/1/51	371,000.00	None					
Gasco Finance Company	(8) Appliance Finance Service	F All securities owned by Portland Gas & Coke Company							
Southwestern Power & Light Company	Former Holding Company; Inactive	F All securities owned by American Company							
Superior Water, Light and Power Company	Electric-Gas-Water Utility Service	First Consolidated Mortgage Gold Bonds, Series I—5%, due 11/1/65	109,000.00	None	7% Preferred	$100	Yes	5,000	500,
Texas Electric Service Company	Electric Utility Service	First Mortgage Gold Bonds 5% Series due 7/1/60	33,730,000.00	None	$6 Preferred	No	Yes	62,613	6,261,

(8) Assists in financing appliance sales; no other business.

OF PREFERRED STOCK			TOTAL AMOUNT OF COMMON STOCK				
Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries
56,424	5,642,400.00 *	None	No	Yes	1,000,000	7,000,000.00 *	999,987 by American Company
10,585	1,058,500.00 *	None					
53,985	5,398,500.00	None	No	Yes	330,000	6,000,000.00	329,989 by American Company
8,712	871,200.00	None					
5,000	500,000.00	1,663 by American Company	$100	Yes	5,000	500,000.00	4,993 by American Company
62,613	6,261,300.00 *	None	No	Yes	6,000,000	29,957,003.08 *	5,999,830 by American Company

Exhibit 17 (Continued)

2332

2333

AMERICAN COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2334

Exhibit 17 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRE				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by American Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total or Stated Value
American Company—Continued									
Texas Power & Light Company	Electric Utility Service	First and Refunding Mortgage (now First Mortgage) Gold Bonds 5% Series, due 11/1/56	28,400,000.00	None	7% Preferred	$100	Yes	64,854	6,485,40
		1st Mortgage Bonds 4¾% due 9/11/65	15,000,000.00	4,900,000.00 by American Company	$6 Preferred	No	Yes	68,512	6,851,20
		Six Per Cent Gold Debenture Bonds Series A, due 7/1/2022	2,000,000.00	None					
		Promissory Notes—6% dated 11/1/35 payable $200,000 on 11/1/37 and $200,000 on each November 1st thereafter through 1942	1,200,000.00	1,200,000.00 by American Company					
Texas Public Utilities Corporation	Electric & Water Service (Buys and Sells natural gas at wholesale)	6% Note, due on or before 11/29/40	941,803.83	941,803.83 by American Company					
		7% Income Note due on or before 11/30/40	2,500,000.00	2,500,000.00 by American Company					
Topeka Land Company	Land Company; Inactive	F All securities owned by American Company							
Utilities Land Company	(9) Land Company	All securities owned by American Company							

(9) Owns non-utility properties in Florida.

OF PREFERRED STOCK			TOTAL AMOUNT OF COMMON STOCK				
Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries
64,854	6,485,400.00 *	None	No	Yes	4,000,000	20,069,704.50 *	3,999,320 by American Company
68,512	6,851,200.00 *	None					
			No	Yes	10,000	100,000.00	9,995 by American Company

Exhibit 17 (Continued)

2338

AMERICAN COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

2339

November 30, 1935

(opposite page)

2340

Exhibit 17 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFER				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by American Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Tota or S Va
merican Company—Continued									
Washington Irrigation & Development Co.	(10) Development Company Inactive	F All securities owned by American Company							
Columbia Valley Reclamation Company	(11) Development Company Inactive	All securities owned by Washington Irrigation & Development Co.							
The Washington Water Power Company	Electric and Water Utility Service	First Refunding Mortgage Bonds 5%, due 7/1/39	$ 4,413,000.00	None	$6 Preferred	No	No	103,753	$10,36
		First and General Mortgage Gold Bonds 5%, due 1/1/60	15,498,000.00	None					
Chelan Electric Company	Electric Utility (All energy sold to Washington Water Power Company)	F All securities owned by The Washington Water Power Company							
Spokane Central Heating Company	Steam Heating Service in Spokane Washington	F All securities owned by The Washington Water Power Company							
Spokane United Railways	Transportation Service in Spokane, Washington	F All securities owned by The Washington Water Power Company							

(10) Owns non-utility lands in Washington.
(11) Owned non-utility lands in Washington; merged with parent company in 1936.

NOTATIONS:

* The total stated value of Capital Stock is not separated by classes on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the Capital Stock assigned to the Common Stock.

A Includes scrip equivalent to 37 2/10 shares.

B Includes scrip equivalent to 3,101 27/50 shares

C Includes 60 shares issuable in exchange for preferred stock of merged company.

D Originally due on demand, but American Power & Light Co. has agreed not to demand or accept any payment of principal until the extended First Mortgage Bonds of Northwestern Electric Co. due May 1, 1945 shall have been paid or provided for.

E Includes 6,800 shares issuable in exchange for 680 shares $100 par value common stock.

F Except directors shares.

T OF PREFERRED STOCK

Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries
103,753	$10,366,183.00	None

TOTAL AMOUNT OF COMMON STOCK

Par Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by American Company and/or Subsidiaries
No Yes	2,541,800 E	$25,418,000.00	2,533,320 by American Company 440 by Spokane Central Heating Company

Exhibit 18

2344

BALANCE SHEET

AMERICAN COMPANY

December 31, 1935

ASSETS

	INVESTMENTS IN SUBSIDIARIES, ETC.—STOCKS, BONDS, NOTES, ETC.	$256,973,130.78
	(Ledger value—based on Company's valuations of securities acquired for series issued and on cash costs, less adjustments, and less net proceeds received and other credits arising through disposal of investments included in group valuations. Losses or gains arising through the disposal of bonds and other investments included in group valuations—undeterminable in the absence of individual valuations—are included in ledger value.)	
2345	CURRENT ASSETS:	
	Cash in Banks—On Demand	$ 8,947,551.44
2346	Cash in Banks—Time Deposits	2,000,000.00
	Short-Term Securities—United States Government (valuation at market quotations, $387,000)	381,500.00
	Notes and Loans Receivable from Subsidiaries	2,294,000.00
	Accounts Receivable from Subsidiaries	342,677.48
	Accounts Receivable from Others	6,314.63
	TOTAL CURRENT ASSETS	13,972,043.53

Exhibit 18

REACQUIRED CAPITAL STOCK (5,301 shares Common)		29,933.72	2347
CONTRA ACCOUNTS:			
Special Deposits—Interest and Redemption Account	$ 36,442.00		
Contractual Rights Under Agreement to Sell Investments in and Advances to Montana Power Gas Company to The Montana Power Company on or before December 31, 1942.....	10,589,900.00		
Accrued Interest Receivable on Above Contractual Rights	615,297.07		
TOTAL CONTRA ACCOUNTS		11,241,639.07	2348
DEFERRED CHARGES:			
Unamortized Debt Discount and Expense	$ 3,567,563.93		
Other	10,213.00		
TOTAL DEFERRED CHARGES.....		3,577,776.93	
TOTAL		$285,794,524.05	

2349

Exhibit 18

LIABILITIES

2350

CAPITAL STOCK (no par value):

Represented by:

Preferred ($6), cumulative (entitled upon liquidation to $100 a share); pari passu with $5 Preferred; authorized, 1,000,000 shares; issued and outstanding, 793,581 2/10 shares, inclusive of 37 2/10 shares of scrip,

2351 $5 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with Preferred ($6); authorized, 2,200,000 shares; issued and outstanding, 978,444 shares,

Common; authorized, 4,000,000 shares; issued, 3,013,812 27/50 shares, inclusive of 3,057 27/50 shares of scrip,

$214,645,636.

LONG-TERM DEBT:

2352 Gold Debenture Bonds, American 6% Series, due March 1, 2016 (less $35,000 reacquired and held in treasury) $43,385,500.00

Southwestern Power & Light Company 6% Gold Debenture Bonds, Series A, due March 1, 2022 (less $4,000 reacquired and held in treasury) 4,155,000.00

TOTAL LONG-TERM DEBT ..... 47,540,500.

CURRENT LIABILITIES:

Accounts Payable	$	88,961.87
Preferred Dividends Declared, Payable January 2, 1936		603,370.98
Accrued Accounts		973,983.56

TOTAL CURRENT LIABILITIES 1,666,316.4

Exhibit 18

CONTRA ACCOUNTS:

Matured Interest on Long-Term Debt, and Redemption Account (cash in Special Deposits)	$ 36,442.00		2353
Liability to Deliver Securities of Montana Power Gas Company to The Montana Power Company	10,589,900.00		
Deferred Credit	615,297.07		
TOTAL CONTRA ACCOUNTS		11,241,639.07	
EARNED SURPLUS		10,700,431.92	
TOTAL		$285,794,524.05	

NOTATIONS:

Dividends on the Preferred ($6) and $5 Preferred Stocks, which are cumulative, were in arrears $9.75 and $8.12½ per share, respectively, as of December 31, 1934. During the year 1935 there were declared on the Preferred ($6) and $5 Preferred Stocks, dividends aggregating $1.50 and $1.25, respectively. No provision has been made in the above statement for undeclared cumulative dividends in the amount of $11,308,002.00 ($14.25 per share) on the Preferred Stock ($6), and $11,619,022.50 ($11.87½ per share) on the $5 Preferred Stock, at December 31, 1935. 2354

A suit now pending in the Superior Court of Clark County, Washington, by preferred stockholders of Northwestern Electric Company, a subsidiary, against that company and American Power & Light Company questions the validity of the issuance of the former's common stock and the legality of the payment of dividends thereon. This common stock was purchased for a cash consideration of more than $5,000,000 by American Power & Light Company in 1925, ten years or more after its issuance, and dividends thereon amounting to $649,957 have been received. 2355

Suit was brought in January 1936, in the Circuit Court of Multnomah County, Oregon, by holders of 36 shares of the preferred stock of Portland Gas & Coke Company, a subsidiary, against that company, American Power & Light Company, et al., demanding, among other things, repayment to Portland Gas & Coke Company of approximately $2,500,000.00, asserted to represent overcapitalization of the original issue of common stock of that company in 1910, as well as repayment of dividends of approximately $3,500,000.00 on such stock received by American Power & Light Company, plus interest in each case.

Counsel for the Company are of the opinion that both the above mentioned stockholders' suits are without merit.

Page Tightly Bound

Exhibit 19

2356

CONSOLIDATED BALANCE SHEET

AMERICAN COMPANY

AND SUBSIDIARY COMPANIES

December 31, 1935

ASSETS

	PLANT, PROPERTY, FRANCHISES, ETC. of Subsidiary Companies (based on ledger value)	$749,679,269.70
2357	Net adjustment arising from the elimination of intercompany-held securities including balance of surplus of subsidiaries at dates of acquisition as adjusted	28,904,445.72
	Plant, Property, Franchises, Etc. (including undetermined amount of cost of acquiring capital arising prior to 1932, estimated by Company to be approximately 3% of the total plant account), balance	$720,774,823.8
	INVESTMENTS (ledger value)	505,319.1
2358	CURRENT ASSETS:	
	Cash in Banks—On Demand	$ 17,623,744.98
	Cash in Banks—Time Deposits	3,800,000.00
	United States Government, Municipal and Other Short-Term Securities (valuation at market quotations, $4,015,000)	3,977,446.49
	Notes and Loans Receivable	684,658.99
	Accounts Receivable from:	
	Customers and Miscellaneous	13,111,043.40
	Subscribers for Preferred Stock of Subsidiary	13,236.12
	Materials and Supplies	6,663,156.96
	Prepayments	402,346.06
	Miscellaneous Current Assets	386,155.04
	TOTAL CURRENT ASSETS	46,661,788.0

Exhibit 19

MISCELLANEOUS ASSETS:			2359
Reacquired Securities:			
American Power & Light Company—5,301 shares Common Stock	$ 29,933.72		
Subsidiaries—15,900 shares Preferred Stocks	1,573,716.74		
Sinking Funds, Special Deposits, and Redemption Funds	4,871,642.81		
United States Treasury Securities (valuation at market quotations, $1,602,000.) deposited by subsidiaries in escrow as collateral to bonds in connection with pending litigation	1,602,101.50		2360
Notes and Accounts Receivable—Not Current	2,243,353.37		
TOTAL MISCELLANEOUS ASSETS		10,320,748.14	
CONTINGENT ASSETS (contra)		536,983.17	
DEFERRED CHARGES:			
Unamortized Debt Discount and Expense	$ 15,722,653.38		
Unamortized Leasehold Improvements	396,806.56		
Unamortized Charges Applicable to Rents and Tolls	279,802.45		2361
Other	731,857.84		
TOTAL DEFERRED CHARGES		17,131,120.23	
TOTAL		$795,930,782.72	

Exhibit 19

LIABILITIES

2362

CAPITAL STOCK:

Represented by:

AMERICAN POWER & LIGHT COMPANY (no par value):

Preferred ($6), cumulative (entitled upon liquidation to $100 a share); pari passu with $5 Preferred; authorized, 1,000,000 shares; issued and outstanding, 793,581 2/10 shares, inclusive of 37 2/10 shares of scrip,

2363 $5 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with Preferred ($6); authorized, 2,200,000 shares; issued and outstanding, 978,444 shares,

Common; authorized, 4,000,000 shares; issued, 3,013,812 27/50 shares, inclusive of 3,057 27/50 shares of scrip,

$214,645,636.65

SUBSIDIARIES:

2364

Preferred Stocks 1,116,052 shares (entitled upon liquidation to $100 a share)....	111,605,200.00	
Common Stocks—65,870 shares...	513,637.43	
TOTAL CAPITAL STOCK.....		$326,764,474.08

Exhibit 19

CAPITAL STOCK SUBSCRIBED—Preferred Stock of Subsidiary (instalments received, $13,863.88)		27,100.00	2365
LONG-TERM DEBT:			
AMERICAN POWER & LIGHT COMPANY:			
Gold Debenture Bonds, American 6% Series, due March 1, 2016 (less $35,000. reacquired and held in treasury)	$ 43,385,500.00		
Southwestern Power & Light Company, 6% Gold Debenture Bonds, Series A, due March 1, 2022 (less $4,000. reacquired and held in treasury)	4,155,000.00		2366
SUBSIDIARIES:			
Mortgage Bonds $285,111,700.00			
Debentures 21,000,000.00	306,111,700.00		
SUBSIDIARIES—Contractual Liabilities.	26,000.00		
TOTAL LONG-TERM DEBT		353,678,200.00	
CURRENT LIABILITIES:			
Accounts Payable	$ 1,869,568.55		
Dividends Declared	1,316,961.98		2367
Contracts Payable	1,110.00		
Customers' Deposits	3,792,429.08		
Accrued Accounts	12,452,383.45		
Miscellaneous Current Liabilities.....	60,256.86		
TOTAL CURRENT LIABILITIES.....		19,492,709.92	
MISCELLANEOUS LIABILITIES:			
Matured and Accrued Interest on Long-Term Debt, and Redemption Accounts (cash in Special Deposits)...	$ 4,230,430.37		
Notes, Contracts, and Accounts Payable—Not Current	130,687.72		
TOTAL MISCELLANEOUS LIABILITIES.....		4,361,118.09	

Exhibit 19

2368	CONTINGENT LIABILITIES (contra)		536,98
	SUNDRY CREDITS:		
	Deferred Credits to Income	$ 187,293.12	
	Contributions for Extensions	278,751.60	
	Other	76,152.84	
	TOTAL SUNDRY CREDITS		542,19
	RESERVES:		
	Property Retirement and Depletion	$ 42,883,154.84	
	Uncollectible Accounts	3,701,565.18	
	Inventory Adjustment	476,140.43	
2369	Casualty and Insurance	941,064.96	
	Rate Reduction in Litigation	2,087,897.01	
	Other	964,942.17	
	TOTAL RESERVES		51,054,76
	UNDECLARED CUMULATIVE DIVIDENDS ON PREFERRED STOCKS OF SUBSIDIARIES HELD BY PUBLIC		6,727,06
	MINORITY INTEREST IN SURPLUS OF SUBSIDIARIES		245,51
	EARNED SURPLUS, LESS AMOUNT ACCRUING TO MINORITY INTEREST		32,500,65
	TOTAL		$795,930,78

2370

NOTATIONS:

Dividends on the Preferred ($6) and $5 Preferred Stocks of Am ican Power & Light Company, which are cumulative, were in arre $9.75 and $8.12½ per share, respectively, as of December 31, 19 During the year 1935 there were declared on the Preferred ($6) and Preferred Stocks, dividends aggregating $1.50 and $1.25, respectiv No provision has been made in the above statement for undecla cumulative dividends in the amount of $11,308,002.00 ($14.25 share) on the Preferred Stock ($6), and $11,619,022.50 ($11.87½ share) on the $5 Preferred Stock, at December 31, 193[illegible].

Page Tightly Bound

Exhibit 19

A suit now pending in the Superior Court of Clark County, Washington, brought by preferred stockholders of Northwestern Electric Company, a subsidiary, against that company and American Power & Light Company, questions the validity of the issuance of the former's common stock and the legality of the payment of dividends thereon. This common stock was purchased for a cash consideration of more than $5,000,000 by American Power & Light Company in 1925, ten years or more after its issuance, and dividends thereon amounting to $649,957 have been received. 2371

Suit was brought in January 1936, in the Circuit Court of Multnomah County, Oregon, by holders of 36 shares of the preferred stock of Portland Gas & Coke Company, a subsidiary, against that company, American Power & Light Company, et al., demanding, among other things, repayment to Portland Gas & Coke Company of approximately $2,500,000.00, asserted to represent overcapitalization of the original issue of common stock of that company in 1910, as well as repayment of dividends of approximately $3,500,000.00 on such stock received by American Power & Light Company, plus interest in each case. 2372

Counsel for the Company are of the opinion that both the above mentioned stockholders' suits are without merit.

The Federal Power Commission on April 2, 1935, denied the application of the Rocky Mountain Power Company, an indirect subsidiary, for an extension from August 24, 1934, to May 24, 1938, of the time within which the so-called Flathead Project is required to be completed and referred the company's license (under the Federal Water Power Act) covering that project, to the Attorney General of the United States for such action as might seem to him appropriate. The investment of The Montana Power Company (a direct subsidiary of American Power & Light Company) in Rocky Mountain Power Company as of December 31, 1935, was $2,135,150.00, all invested in the Flathead Project. 2373

2374

Exhibit 20

2375

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2376

Exhibit 20 (Continued)

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRED				
		Title of Issue and Maturity Date	Principal Amount Outstanding less Amount Held in Treasury and/or Reacquired	Principal Amount owned by Electric Company and/or Subs.	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value
Electric Company	Holding Company	Gold Debentures, 5% Series, due February 1, 2030	$31,000,000.00	None by Subs.	$7 Preferred	No	Yes	514,174	$51,417,400
					$6 Preferred	No	Yes	255,430 2/3 B	25,543,066
					Second Preferred, Series A	No	No	83,539	8,353,900
Arkansas Power & Light Company	Electric, Gas, Water, Ice, Steam Heating & Transportation Service	First and Refunding Mortgage Gold Bonds, 5% Series, due October 1, 1956	35,000,000.00	None	$6 Preferred	No	Yes	46,310	4,631,000
					$7 Preferred	No	Yes	95,915	9,591,500
		Little Rock Railway & Electric Company—Refunding and Extension Mortgage Six Per Cent Gold Bonds, due April 1, 1938	1,014,500.00	None					
		Wilson Power & Light Company—First Mortgage 6% Gold Bonds, due Serially to Dec. 1, 1937	51,000.00	None					
The Garland Power and Development Company of Arkansas	Company owning non-utility land in Arkansas	All securities owned by Arkansas Power & Light Company							
Capital Transportation Company(1)	Transportation	All securities owned by The Garland Power and Development Company of Arkansas							
White River Power Company	Owns certain rights and has made sundry investigations in connection with proposed hydro-electric development in Arkansas								

*—Capital stock account is not segregated on the books of the company: for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

A—Includes 560 shares issuable in exchange for stock of predecessor company.

B—Includes scrip equivalent to 4 2/3 shares.

(1)—Renders transportation servi
Arkansas.

F PREFERRED STOCK			TOTAL AMOUNT OF COMMON STOCK				
of st- ess d in d/or ed	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.
	$51,417,400.00 *	None by Subs.	No	Yes	3,418,961½ A	$69,627,947.06	
2/3 B	25,543,066.67 *	" " "					
	8,353,900.00 *	" " "					
	4,631,000.00 *	None	No	Yes	1,233,638	12,331,860.00	1,233,623 by Electric Company
	9,591,500.00 *	7,697 by Electric Company					

nders transportation service in two communities in

Exhibit 20 (Continued)

2380

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

2381

November 30, 1935

(opposite page)

2382

Exhibit 20 (Continued)

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRI				
		Title of Issue and Maturity Date	Principal Amount Outstanding less Amount Held in Treasury and/or Reacquired	Principal Amount owned by Electric Company and/or Subs.	Title	Par	Voting	Number of * Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total or St Val
Electric Company—Continued									
Dallas Power & Light Company	Electric Service	First Mortgage Gold Bonds:			7% Preferred	$100	Yes	35,000	$3,500,(
		Series A, 6% due July 1, 1949	$6,000,000.00	None	$6 Preferred	No	Yes	43,731	4,427,1
		Series B, 7½% due July 1, 1949	1,100,000.00	None					
		Series C, 5% due July 1, 1952	4,500,000.00	None					
		Series D, 5½% due Jan. 1, 1954	1,000,000.00	None					
Dallas Railway & Terminal Company (2)	Transportation	First Mortgage Gold Bonds, 6% Series, due July 1, 1951	4,770,500.00	None	7% Preferred	$100	Yes	15,000	1,500,0
Electric Power & Light Corporation (N. Y.)	Name Saving—Inactive	All securities owned by Electric Company							
Gentilly Development Company, Incorporated (3)	Real Estate	All securities except directors shares owned by Electric Company							
Louisiana Power & Light Company	Electric, Gas, Water, Ice and Transportation Service	First Mortgage Gold Bonds, 5% Series, due December 1, 1957	17,500,000.00	None	$6 Preferred	No	Yes	59,422	5,942,2
					$6 Second Pfd.	No	Yes	30,000	3,000,0
Mississippi Power & Light Company	Electric, Gas, Water, Ice and Transportation Service	First Mortgage Gold Bonds, 5% Series, due December 1, 1957	16,000,000.00	None	$6 Preferred	No	Yes	67,268	6,726,8
		McComb & Magnolia Light & Railway Company First Mortgage 6% Gold Bonds, due January 1, 1940	295,000.00	None	$6 Second Pfd.	No	Yes	35,000	3,500,0

*—Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

(2)—Renders transportation service and owns terminal building in Dallas, Texas.

(3)—Owns non-utility land in Orleans parish, Louisiana.

PREFERRED STOCK		TOTAL AMOUNT OF COMMON STOCK				
Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.
$3,500,000.00 4,427,134.00	None None	No	Yes	262,500	$5,250,000.00	238,000 by Electric Company
1,500,000.00	11,000 by Electric Company	$100	Yes	32,500	3,250,000.00	30,681 by Electric Company
5,942,200.00 * 3,000,000.00 *	520 by Electric Company 30,000 by Electric Company	No	Yes	1,200,000	6,000,000.00	1,200,000 by Electric Company
6,726,800.00 * 3,500,000.00 *	1,493 by Electric Company 35,000 by Electric Company	No	Yes	1,000,000	5,000,641.00	1,000,000 by Electric Company

d owns terminal

ish, Louisiana.

Exhibit 20 (Continued)

2386

2387

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2388

Exhibit 20 (Continued)

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRED				
		Title of Issue and Maturity Date	Principal Amount Outstanding less Amount Held in Treasury and/or Reacquired	Principal Amount owned by Electric Company and/or Subs.	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value
Electric Company—Continued									
New Orleans Public Service Inc.	Electric, Gas and Transportation Service	General Lien Four and One-Half Per Cent Gold Bonds, due July 1, 1935 **	$10,090,980.00	None	$7 Preferred	No	No	77,798	$7,779,800.0
		First and Refunding Mortgage Gold Bonds:							
		Series A, 5%, due October 1, 1952	12,000,000.00	None					
		Series B, 5%, due June 1, 1955	18,000,000.00	None					
		Six Per Cent Mortgage Gold Income Bonds:							
		Series A, 6%, due Nov. 1, 1949	4,624,700.00	None					
		Series B, 6%, due Nov. 1, 1949	C 900.00	None					
		New Orleans City Railroad Company — General Mortgage Gold Bond, 4-5%, due July 1, 1943	3,200,000.00	None					
		New Orleans City and Lake Railroad Company—Consolidated First Mortgage Fifty-Year Five Per Cent Gold Bonds, due January 1, 1943	1,893,500.00	None					
		New Orleans Power House Company, Limited—First Mortgage Forty-Two Year Five Per Cent Power House Gold Bonds, due July 1, 1943	200,000.00	None					
		Canal & Claiborne Railroad Company—First Mortgage Bonds, 6%, due May 1, 1946	516,500.00	None					
		St. Charles Street Railroad Company —First Mortgage Four Per Cent Fifty-Year Gold Bonds, due January 1, 1952	375,000.00	None					

*—Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

C—Represents 22,500 French francs at four cents per franc.

**—Extended to July 1, 1942 at 5% after payment of 10% of principal.

PREFERRED STOCK		TOTAL AMOUNT OF COMMON STOCK				
Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.
$7,779,800.00 *	9,806 by Electric Company	No	Yes	753,366.78	$18,834,169.50	716,336.823 by Electric Company

cents per franc.

er payment of

Exhibit 20 (Continued)

2392

2393

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2394

Exhibit 20 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRE				
		Title of Issue and Maturity Date	Principal Amount Outstanding less Amount Held in Treasury and/or Reacquired	Principal Amount owned by Electric Company and/or Subs.	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total or Stated Value
Electric Company—Continued									
Northern Texas Company	Does not operate; Owns transportation properties in Texas under lease to associate company	All securities owned by Electric Company							
Power Securities Corporation	Holding Company	Collateral Trust Gold Bonds, American 6 % Series, due June 1, 1949	$4,524,100.00	$1,874,900.00 by Electric Company	$6 Second Pfd.	No	Yes	58,054	$ 5,805,4
Idaho Power Company	Electric Service	First Mortgage Thirty Year Five Per Cent Gold Bonds, due January 1, 1947	13,000,000.00	None	7 % Preferred	$100	Yes	34,800	3,480,0
					$6 Preferred	No	Yes	28,457	2,845,7
Nevada Power Company	Electric Service		None					None	
Power Securities Corporation (N Y)	Name Saving—Inactive	All securities owned by Power Securities Corporation			$7 Preferred	No	No	449,822	44,982,2
United Gas Corporation	Holding Company	6 % Notes Payable to Banks, due July 20, 1936	21,250,000.00	None	$7 Second Pfd.	No	3 Votes per Share	884,680	88,468,0
		6 % Notes Payable to Bond and Share due on Demand	25,925,000.00	None					
		6 % Note Payable to Bond and Share due November 30, 1938	3,000,000.00	None					
Duval Texas Sulphur Company	Leases and operates Sulphur Properties in Texas	74.7 % of securities owned by United Company	None					None	
San Diego & Gulf Railway Company	Railway; in liquidation	Owned jointly by United Company and Duval Texas Sulphur Company (50 % by each)							
Houston Gas Securities Company	Owns certain bonds of Houston Gas and Fuel Company and certain debentures of United Gas Public Service Company	All capital stock owned by United Company							

*—Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

PREFERRED STOCK		TOTAL AMOUNT OF COMMON STOCK				
Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.
$ 5,805,400.00 *	58,054 by Electric Company None by Electric Company	No	Yes	150,000	$ 300,000.00	150,000 by Electric Company
3,480,000.00	3,030 by Power Securities Corporation	$100	Yes	150,000	15,000,000.00	149,986 by Power Securities Corp. None by Electric Co.
2,845,700.00 *	None	$100	Yes	1,800	180,000.00	1,797 by Idaho Power Company None by Elec. Co.
44,982,200.00	None	$1	Yes	7,818,959	7,818,959.00	3,795,086 by Electric Company
88,468,000.00	884,610 by Electric Company					
		No	Yes	500,000	1,000,000.00	373,557 by United Company None by Electric Company

Exhibit 20 (Continued)

2398

2399

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2400

Exhibit 20 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT			
		Title of Issue and Maturity Date	Principal Amount Outstanding less Amount Held in Treasury and/or Reacquired	Principal Amount owned by Electric Company and/or Subs.	Title	Par	Voting	Num Shar standi Amoun Treasur Reac
Electric Company—Continued								
United Gas Corporation—Continued								
United Gas Corporation (Louisiana)	Name Saving—Inactive	All securities owned by United Company						
United Gas Corporation (New York)	Name Saving—Inactive	All securities owned by United Company						
United Gas Corporation (Texas)	Name Saving—Inactive	All securities owned by United Company						
United Gas Public Service Company	Development, production, purchase, transmission, distribution, delivery and sale of natural gas; extraction of natural gasoline from natural gas and sale of same; production and sale of crude oil; holding company	Twenty Year 6% Debentures, due July 1, 1953	$60,000,000.00	$60,000,000 by United Company	$6 Preferred	No	No	199,
		Twenty Year 6% Gold Debentures, due March 1, 1952	4,587,000.00	$4,585,000 by Houston Gas Securities Co. and $2,000 by United Company	$6 Second Pfd.	No	No	200,
		6% Note Payable to United Gas Corporation due Nov. 26, 1938	4,000,000.00	$4,000,000 by United Company				
		#Dixie Gulf Gas Company—First Mortgage 6½% Sinking Fund Gold Bonds, Series A, due September 1, 1937	2,898,500.00	None				
		#The Palmer Corporation of Louisiana—First Mortgage 6% Sinking Fund Gold Bonds, due June 1, 1938	1,663,500.00	None				
		#South Texas Gas Company—First Mortgage and Collateral 6½% Gold Bonds, Series A, due March 1, 1938	882,500.00	None by Electric Company $31,000 by United Company				
Compania Mexicana de Gas, S. A.	Purchase, transmission and sale of natural gas	10% Income Demand Notes Payable to United Gas Public Service Company	1,278,000.00	$1,278,000 by United Gas Public Service Company				Non

*—Capital stock account is not segregated on t company; for the purpose of this statement stocks are assigned the amounts to which they liquidation, i.e., $100 a share, and the balance stock account assigned to the common stock.

#—Issues assumed by United Gas Public Ser

tinued)

	TOTAL AMOUNT OF PREFERRED STOCK					TOTAL AMOUNT OF COMMON STOCK				
Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.
Preferred	No	No	199,754	$19,975,400.00 *	None by Electric Company 193,797 by United Company	No	Yes	2,500,000	$95,784,771.02	2,500,000 by United Company
Second Pfd.	No	No	200,000	20,000,000.00 *	200,000 by United Company					
None						100 Pesos	Yes	29,500	837,000.00	29,500 by United Gas Public Service Company .

apital stock account is not segregated on the books of the ny; for the purpose of this statement the preferred are assigned the amounts to which they are entitled in tion, i.e., $100 a share, and the balance of the capital ccount assigned to the common stock.

Issues assumed by United Gas Public Service Company.

Exhibit 20 (Continued)

2404

2405

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2406

Exhibit 20 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRED				
		Title of Issue and Maturity Date	Principal Amount Outstanding less Amount Held in Treasury and/or Reacquired	Principal Amount owned by Electric Company and/or Subs.	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value
Electric Company—Continued									
United Gas Corporation—Continued									
United Gas Public Service Company—Continued									
Houston Gulf Gas Company	Development, production, purchase, transmission, distribution, delivery and sale of natural gas; production and sale of crude oil; holding company	First Mortgage and Collateral 6% Gold Bonds, Series A, due April 1, 1943	$4,238,000.00	None	7% Pfd. Series A	$100	Yes	8,063	$806,300.0
		6½% Sinking Fund Gold Debentures, due April 1, 1943	1,850,000.00	None					
		7% Income Notes Payable to United Gas Public Service Company, due January 1, 1945	9,790,000.00	$9,790,000 by United Gas Public Service Company	7% Pfd. Series B	$100	Yes	15,000	1,500,000.0
Houston Gas and Fuel Company	Gas Service	First Mortgage 5% Income Bonds, due March 1, 1952	4,585,000.00	$4,585,000 by Houston Gas Securities Company	7% Preferred	$100	Yes	1,390	139,000.0
					$7 Preference	No	No	14,110	1,411,000.0
		7% Income Note Payable to Houston Gulf Gas Company, due March 1, 1952	2,450,000.00	$2,450,000 by Houston Gulf Gas Co.					
Motor Fuel Products Company	Inactive	All securities owned by United Gas Public Servcie Company							
Northern Texas Utilities Company	Development, production, purchase, transmission, distribution, delivery and sale of natural gas	First Mortgage 6% Bonds, due November 1, 1940	1,290,000.00	None	7% Preferred	$100	Yes	15,000	1,500,000.0
		6% Note Payable to United Gas Public Service Company, due November 25, 1940	1,141,000.00	$1,141,000 by United Gas Public Service Co.					
Southern Gas & Fuel Company	Purchase, transmission and sale of natural gas	6% Note Payable to United Gas Public Service Company, due November 25, 1940	708,000.00	$708,000 by United Gas Public Service Co.				None	

*—Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

PREFERRED STOCK		TOTAL AMOUNT OF COMMON STOCK				
Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.
$806,300.00	7,952 by United Gas Public Service Co. None by Electric Company	No	Yes	517,008	5,170,080.00	None by Electric Company 514,892 by United Gas Public Service Co.
1,500,000.00	14,990 by United Gas Public Service Co. None by Electric Company					
139,000.00	None by Electric Company 1,277 by Houston Gulf Gas Co.	No	Yes	15,000	1,500,000.00	15,000 by Houston Gulf Gas Company
1,411,000.00 *	11,696 by Houston Gulf Gas Co. 771 by United Company None by Electric Company					
1,500,000.00	15,000 by United Gas Public Service Co.	No	Yes	245,364	2,166,157.21	None by Electric Company 243,611 by United Gas Public Service Co.
		No	Yes	344,960	3,450,000.00	344,960 by United Gas Public Service Co.

Exhibit 20 (Continued)

2410

2411

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2412

Exhibit 20 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRED				
		Title of Issue and Maturity Date	Principal Amount Outstanding less Amount Held in Treasury and/or Reacquired	Principal Amount owned by Electric Company and/or Subs.	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value
Electric Company—Continued									
United Gas Corporation—Continued									
United Gas Public Service Company—Continued									
Southern Gas Utilities Inc.	Development, production, purchase, transmission, distribution, delivery and sale of natural gas	First Mortgage 6½ % Sinking Fund Gold Bonds, Series A, due September 1, 1939 (E)	$1,072,500.00	None	$7 Preferred	No	No	5,750	See Notation
		7 % Income Note Payable to United Gas Public Service Company, due November 25, 1940	1,355,748.10	$1,355,748.10 by United Gas Public Service Co.					
The DeSiard Development Company, Incorporated	Inactive	All securities owned by United Gas Public Service Company							
United Gas Public Service Co. Inc. (Alabama)	Name Saving—Inactive	" " " "							
United Gas Public Service Company (Arkansas)	Name Saving—Inactive	" " " "							
United Gas Public Service Company (Florida)	Name Saving—Inactive	" " " "							
United Gas Public Service Company (Georgia)	Name Saving—Inactive	" " " "							
United Gas System, Inc. (Alabama)	Name Saving—Inactive	" " " "							
United Gas System, Inc. (Louisiana)	Name Saving—Inactive	" " " "							
United Gas System, Inc. (Mississippi)	Name Saving—Inactive	" " " "							
United Gas System, Inc. (Texas)	Name Saving—Inactive	" " " "							
United Production Corporation	Development, production and sale of natural gas; production and sale of crude oil	7 % Income Note Payable to United Gas Public Service Company, due November 25, 1940	$18,148,000.00	18,148,000 by United Gas Public Service Co.				None	
Utah Power & Light Company	Electric & Steam Heating Service	Thirty-Year First Mortgage Five Per Cent Gold Bonds, due February 1, 1944	30,137,000.00	None	$6 Preferred	No	Yes	41,921	$ 4,192,100.
					$7 Preferred	No	Yes	207,605	20,760,500.
		First Lien and General Mortgage Gold Bonds, Series of 4½'s, due February 1, 1944	5,015,000.00	None					
		Six Per Cent Gold Debenture Bonds, Series A, due May 1, 2022	5,000,000.00	None					

*—Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

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PREFERRED STOCK		TOTAL AMOUNT OF COMMON STOCK				
Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.
See Notation D	5,750 by United Gas Public Service Co.	No	Yes	88,760	See Notation D	None by Electric Company 88,750 by United Gas Public Service Co.
		No	Yes	200,000	$ 4,909,300.33	200,000 by United Gas Public Service Co.
$ 4,192,100.00 * 20,760,500.00 *	None 2,100 by Electric Company	No	Yes	3,000,000	30,006,187.16	2,999,902 by Electric Company

D—The total capital stock liability for both classes of stock is stated on the books of the company as $520,212.50 without segregation as to classes of capital stock. The Preferred Stock has a liquidating value of $100 per share.

E—Principal and Interest guaranteed by United Gas Public Service Company.

Exhibit 20 (Continued)

2416

2417

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2418

Exhibit 20 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRE			
		Title of Issue and Maturity Date	Principal Amount Outstanding less Amount Held in Treasury and/or Reacquired	Principal Amount owned by Electric Company and/or Subs.	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Pa or State Value
Electric Company—Continued									
Utah Power & Light Company—Continued									
Bountiful Light and Power Company	Electric Service		None					None	
Utah Light and Traction Company	Transportation Service and owns electric facilities, all of which are leased to Utah Power & Light Co.	Thirty-Year First and Refunding Mortgage Gold Bonds, Series A, 5% due 1944 (F)	$12,446,000.00	None				None	
		6% Income Demand Note Payable to Utah Power & Light Company	8,200,000.00	$8,200,000 by Utah Power & Light Co.					
The Western Colorado Power Company	Electric Service	First Mortgage Bonds, 5%, due on Demand	3,884,000.00	$3,884,000 by Utah Power & Light Co.				None	
		6% Income Demand Note Payable to Utah Power & Light Company	1,500,000.00	$1,500,000 by Utah Power & Light Co.					
The above statement does not include currently maturing issues including among current liabilities as follows:									
Arkansas Power & Light Company	Electric, Gas, Water, Ice, Steam Heating & Transportation Service	Wilson Power & Light Company—First Mortgage 6% Gold Bonds, due June 1, 1936	18,500.00	None					
New Orleans Public Service Inc.	Electric, Gas and Transportation Service	Consumers Electric Light & Power Company—First Mortgage Twenty-Year Five Per Centum Gold Bonds, due January 1, 1936	1,720,200.00	None					
United Gas Public Service Company	Development, production, purchase, transmission, distribution, delivery and sale of natural gas; extraction of natural gasoline from natural gas and sale of same; production and sale of crude oil; holding company	#Southern Gas Company—Ten Year 6½% Sinking Fund Gold Debenture Bonds, Series A, due October 1, 1936	96,000.00	None					

F—Principal and Interest guaranteed by Utah Power & Light Company.

#—Issue assumed by United Gas Public Service Company.

PREFERRED STOCK		TOTAL AMOUNT OF COMMON STOCK				
	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares owned by Electric Company and/or Subs.
			$1	Yes	$41,404	41,404.00	None by Electric Company 41,334 by Utah Power & Light Co.
			$25	Yes	46,035	1,150,875.00	None by Electric Company 46,026 by Utah Power & Light Co.
			No	Yes	35,000	3,500,000.00	None by Electric Company 34,991 by Utah Power & Light Co.

Exhibit 20 (Continued)

2422

ELECTRIC COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

2423

STATEMENT OF OUTSTANDING OPTION AND STOCK PURCHASE WARRANTS FOR COMMON STOCK AS OF NOVEMBER 30, 1935

(opposite page)

2424

Exhibit 20 (Continued)

ELECTRIC COMPANY AND SUBSIDIARIES

STATEMENT OF OUTSTANDING OPTION AND STOCK PURCHASE WARRANTS FOR COMMON STOCK AS OF NOVEMBER 30, 1935

Name of Issuer	Outstanding *		Number of Shares of Common Stock called for by Warrants Outstanding	Warrants Owned by Electric Company and/or Subsidiaries
	Option Warrants	Stock Purchase Warrants		
Electric Power & Light Corporation	569,654	....	569,654	
United Gas Corporation	4,864,967	....	4,864,967	3,600,040 by Electric Company
	.....	3,015	3,015	971¼ by Electric Company
Houston Gulf Gas Company	49,190	....	49,190	None by Electric Company 40,000 by United Gas Public Service Co.
Southern Gas Utilities, Inc.	11,215	....	11,215	None by Electric Company 8,680 by United Gas Public Service Co.

* Does not include amount held in Treasury of issuing Company and/or reacquired.

Exhibit 21

BALANCE SHEET

2428 **ELECTRIC COMPANY**

December 31, 1935

ASSETS

INVESTMENTS IN SUBSIDIARIES, ETC.—STOCKS, BONDS, NOTES, ETC.		$182,621,594.5
(Ledger value—based on Company's valuations of securities acquired for securities issued and on cash costs, less net proceeds received and other credits arising through disposal of investments included in group valuations. Losses or gains arising through the disposal of bonds and other investments included in group valuations—undeterminable in the absence of individual valuations—are included in ledger value.)		
2429		
CURRENT ASSETS:		
Cash in Banks—On Demand	$1,926,111.19	
Cash in Banks—Time Deposits	1,100,000.00	
United States Government Securities—Treasury Bills due July 1, 1936 (Valuation at market quotation $199,800.00)	199,740.59	
Loans Receivable from Subsidiaries	916,000.00	
Accounts Receivable:		
2430 Subsidiaries	34,093.49	
Subscribers for $7 Preferred Stock Allotment Certificates	10,995.29	
Other	4,244.38	
TOTAL CURRENT ASSETS		4,191,184.9
REACQUIRED CAPITAL STOCK—961 shares of $7 Preferred Stock and 827½ shares of Common Stock		101,825.6
DEFERRED CHARGES:		
Unamortized Debt Discount and Expense	$3,666,812.04	
Other	9,204.00	
TOTAL DEFERRED CHARGES		3,676,016.0
TOTAL		$190,590,621.1

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Exhibit 21

LIABILITIES

CAPITAL STOCK (no par value):		2431
Represented by:		
$7 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $6 Preferred and $5 Preferred; authorized, 800,000 shares; issued, 515,135 shares,		
$6 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $7 Preferred and $5 Preferred; authorized, 1,000,000 shares; issued and outstanding, (including 4 2/3 shares of scrip), 255,430 2/3 shares,		
$5 Preferred Cumulative (entitled upon liquidation to $100 a share); pari passu with $7 Preferred and $6 preferred; authorized 1,000,000; issued, none,	$155,044,139.40	2432
Second Preferred, Series A ($7), cumulative (entitled upon liquidation to $100 a share); pari passu with Second Preferred, Series AA ($7); authorized 120,000 shares; issued and outstanding, 82,964 shares,		
Second Preferred, Series AA ($7), cumulative (entitled upon liquidation to $100 a share); pari passu with Second Preferred, Series A ($7); authorized, 100,000 shares; issued, none,		2433
Common; authorized, 4,000,000 shares; issued, 3,422,089 shares,		
CAPITAL STOCK SUBSCRIBED:		
$7 Preferred Stock Allotment Certificates	10,900.00	
LONG-TERM DEBT—Gold Debentures, 5% Series, due 2030	31,000,000.00	
CURRENT LIABILITIES:		
Accounts Payable $ 30,052.52		
Accrued Accounts 684,835.82		
TOTAL CURRENT LIABILITIES	714,888.34	
RESERVE	156,514.01	
EARNED SURPLUS	3,664,179.40	
TOTAL	$190,590,621.15	

Exhibit 21

NOTATIONS:

2434

Dividends on the $7 and $6 Preferred Stocks, and the Second ferred Stock, Series A ($7), which are cumulative, were in ar $15.16 2/3, $13.00, and $19.25, per share, respectively, as of De ber 31, 1934. During the year 1935 no dividends were declare these stocks. No provision has been made in the above state for undeclared cumulative dividends on the $7 Preferred S amounting to $11,397,523.67 ($22.16 2/3 per share), on th Preferred Stock, amounting to $4,853,094.00 ($19.00 per sha and on the Second Preferred Stock, Series A ($7), amountin $2,177,805.00 ($26.25 per share), to December 31, 1935.

At December 31, 1935, there were outstanding Option Warrants titling the holders, without limitation as to time, to purc

2435

567,354 shares of Common Stock at $25.00 a share; in lieu of c each share of Second Preferred Stock, Series A ($7), surrend with four Option Warrants will be accepted at $100.00 in payn for four shares of Common Stock.

2436

Exhibit 22

CONSOLIDATED BALANCE SHEET
ELECTRIC COMPANY AND SUBSIDIARY COMPANIES

2437

December 31, 1935

ASSETS

PLANT, PROPERTY, FRANCHISES, ETC., OF SUBSIDIARY COMPANIES (based on ledger value)	$641,982,431.01		
Net adjustment arising from the elimination of intercompany-held securities, including balance of surplus of subsidiaries at dates of acquisition, as adjusted	26,720,245.43		2438
Plant, Property, Franchises, etc. (including undetermined amount of cost of acquiring capital arising prior to 1932, estimated by the Company to be approximately 2% of the total plant account)—balance		$615,262,185.58	
INVESTMENTS—SECURITIES (ledger value)		6,909,659.78	
CURRENT ASSETS:			
Cash in Banks—On Demand	$ 15,888,426.01		
Cash in Banks—Time Deposits	2,400,000.00		2439
United States Government Securities (valuation at market quotations, $475,300.00)	473,546.59		
Notes and Loans Receivable	457,549.89		
Accounts Receivable:			
Customers and Miscellaneous	9,889,205.79		
Subscribers for $7 Preferred Stock Allotment Certificates of Electric Power & Light Corporation	10,995.29		
Materials and Supplies	4,665,483.86		
Prepayments	252,020.99		
Miscellaneous Current Assets	354,273.86		
TOTAL CURRENT ASSETS		34,391,502.28	

Exhibit 22

	Miscellaneous Assets:		
2440	**Reacquired Capital Stock:**		
	Electric Power & Light Corporation —961 shares of $7 Preferred Stock and 827½ shares of Common Stock	$ 101,825.67	
	Subsidiaries—6,173 shares of Preferred Stocks	614,960.00	
	Sinking Funds, Special Deposits, and Redemption Funds	4,190,446.95	
	Advances and Accounts Collectible from Production	1,111,098.24	
	Advances in connection with Acquisition of Properties	11,178.94	
2441	Notes and Accounts Receivable—Not Current	1,306,734.45	
	Total Miscellaneous Assets		7,336,244
	Contingent Assets (contra)		675,928
	Deferred Charges:		
	Unamortized Discount, Commission and Expense	$ 11,880,788.24	
2442	Abandoned Property of a Subsidiary (being written off against its surplus and property retirement reserve which is accumlated from current earnings)	7,154,161.00	
	Other	196,193.27	
	Total Deferred Charges		19,231,142
	Total		$683,806,663

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Exhibit 22

LIABILITIES

CAPITAL STOCK:		
Represented by:		2443
Electric Power & Light Corporation (no par value):		
$7 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $6 Preferred and $5 Preferred; authorized, 800,000 shares; issued, 515,135 shares,		
$6 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $7 Preferred and $5 Preferred; authorized, 1,000,000 shares; issued and outstanding, (including 4 2/3 shares of scrip) 255,430 2/3 shares,		2444
$5 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $7 Preferred and $6 Preferred; authorized, 1,000,000 shares; issued, none,	$155,044,139.40	
Second Preferred, Series A ($7), cumulative (entitled upon liquidation to $100 a share); pari passu with Second Preferred, Series AA ($7); authorized, 120,000 shares; issued and outstanding, 82,964 shares,		2445
Second Preferred, Series AA ($7), cumulative (entitled upon liquidation to $100 a share); pari passu with Second Preferred, Series A ($7); authorized, 100,000 shares; issued, none,		
Common; authorized, 4,000,000 shares; issued, 3,422,089 shares,		

Exhibit 22

	Subsidiaries:		
	Preferred Stocks,		
2446	1,181,323 shares (entitled upon liquidation to $100 a share)	118,132,300.00	
	Common Stocks, 4,216,937-957/1000 shares	5,903,905.90	
	TOTAL CAPITAL STOCK		$279,080,345
	CAPITAL STOCK SUBSCRIBED—$7 Preferred Stock Allotment Certificates of Electric Power & Light Corporation		10,900
	LONG-TERM DEBT:		
	Electric Power & Light Corporation—		
	Gold Debentures, 5% Series, due		
2447	2030	$ 31,000,000.00	
	Subsidiaries:		
	Bonds:		
	Mortgage Bonds.. $205,959,280.00		
	Collateral Trust Bonds 7,234,200.00		
	Debentures 6,850,000.00		
	Mortgage Income Bonds 4,625,600.00	224,669,080.00	
	Other:		
	Contractual Liabilities ..... $ 538,852.06		
2448			
	Note Payable—United Gas Corporation—Without Collateral to Electric Bond and Share Company—Due November 30, 1938 ..... 3,000,000.00	3,538,852.06	
	TOTAL LONG-TERM DEBT		259,207,9
	CURRENT LIABILITIES:		
	Accounts Payable	$ 2,530,091.29	
	Dividends Declared—Preferred	374,108.67	

Exhibit 22

Notes Payable:			2449
Demand—Without Collateral (United Gas Corporation to Electric Bond and Share Company)	25,925,000.00		
*Banks—Due July 20, 1936 (United Gas Corporation)	21,250,000.00		
Contracts Payable	130,714.39		
Mortgage and Debenture Bonds of Subsidiaries Maturing in 1936	129,500.00		
Customers' Deposits	3,096,214.00		
Accrued Accounts	9,118,563.13		
Miscellaneous Current Liabilities	86,938.45		
TOTAL CURRENT LIABILITIES		62,641,129.93	2450
MISCELLANEOUS LIABILITIES:			
Matured and Accrued Interest on Long-Term Debt, and Redemption Accounts (Cash in Special Deposits)	$ 3,270,134.45		
Notes and Accounts Payable—Not Current	127,480.02		
Contractual Liabilities Payable from Gas Production	134,800.02		
TOTAL MISCELLANEOUS LIABILITIES		3,532,414.49	2451
CONTINGENT LIABILITIES (contra)		675,928.90	
DEFERRED CREDITS TO INCOME		235,852.59	
RESERVES:			
Property Retirement and Depletion	$ 32,270,489.62		
Uncollectible Accounts	2,601,139.11		
Inventory Adjustment	264,938.44		
Other	4,933,775.16		
TOTAL RESERVES		40,070,342.33	
UNDECLARED CUMULATIVE DIVIDENDS ON PREFERRED STOCKS OF SUBSIDIARIES HELD BY PUBLIC		17,906,343.22	
MINORITY INTEREST IN SURPLUS (and Deficits) AND IN RESERVES (Appropriations from Capital Surplus) OF SUBSIDIARIES—NET	$ 9,826,087.51		

32.06

	Less Deferred Credit	9,405,515.99	420,571.5
2452	**Deferred Credit		9,405,515.9
	Earned Surplus, Less Amount Accruing to Minority Interest		10,619,386.9
	Total		$683,806,663.3

NOTATIONS RELATING TO CONSOLIDATED BALANCE SHEE

At December 31, 1935, there were outstanding with the public, Optio Warrants to purchase 567,354 shares of Common Stock of Electric Powe & Light Corporation, and Option Warrants and Stock Purchase Wa rants to purchase 1,278,695¾ shares of Common Stocks of subsidiaries.

Certain intercompany-held securities of subsidiaries (eliminated i
2453 consolidation) have been pledged as set forth in the detailed schedule of capital stock and long-term debt.

Dividends on the $7 and $6 Preferred Stocks, and the Second Pre ferred Stock, Series A ($7), of Electric Power & Light Corporatio which are cumulative, were in arrears $15.16 2/3, $13.00, and $19.25, pe share, respectively, as of December 31, 1934. During the year 1935 n dividends were declared on these stocks. No provision has been made i the above statement for undeclared cumulative dividends on the $7 Pre ferred Stock, amounting to $11,397,523.67 ($22.16 2/3 per share) on th $6 Preferred Stock, amounting to $4,853,094.00 ($19.00 per share), an on the Second Preferred Stock, Series A ($7), amounting to $2,177,805.0 ($26.25 per share), to December 31, 1935.

2454 * $42,500,000.00 United Gas Public Service Company 6% Debe tures, due July 1, 1953, owned by United Gas Corporation, pledged a collateral.

** Representing United Gas Corporation minority common stock in terests' proportion of loss resulting from cumulative second preferre dividends of United Gas Corporation not having been earned on it second preferred stock owned by Electric Power & Light Corporatio If, as and when future earnings accruing to such minority common stoc offset such losses then minority interest in surplus will be reinstated b this amount and cumulative second preferred dividends so earned wil simultaneously be added to consolidated earned surplus.

No provision has been made in the foregoing statement for possibl losses resulting from pending suits and claims against certain sub sidiaries of United Gas Corporation (arising principally in connectio with gas and oil producing properties). It is the practice to record an such losses when and as settled.

Exhibit 23

BALANCE SHEET

2455

UNITED COMPANY

December 31, 1935

Assets

INVESTMENTS IN SUBSIDIARIES, ETC.—STOCKS, BONDS, NOTES, ETC.		$215,266,229.69	
(Ledger value—based on Company's valuations in December, 1932, of securities owned; securities subsequently acquired are included at cash cost or, if acquired for securities issued, at Company's valuation.)			2456
CURRENT ASSETS:			
Cash in Banks—On Demand	$ 1,651,822.52		
Accounts Receivable from Subsidiaries	292,756.42		
Accounts Receivable from Others	9,041.78		
TOTAL CURRENT ASSETS		1,953,620.72	
DEFERRED CHARGE		7,466.50	
TOTAL		$217,227,316.91	2457

Exhibit 23

Liabilities

2458	CAPITAL STOCK:		
	Represented by:		
	$7 Preferred, cumulative (on par value), non-voting (entitled upon liquidation to $100 a share); authorized, 1,000,000 shares; issued and outstanding, 449,822 shares	$44,982,200.00	
2459	$7 Second Preferred, cumulative (no par value), each share entitled to three votes (entitled upon liquidation to $100 a share); authorized, 1,000,000 shares; issued and outstanding, 884,680 shares	88,468,000.00	
	Common ($1.00 par value), each share entitled to one vote; authorized 20,000,000 shares; issued, 7,828,117 shares; in treasury, 4,158 shares (of which 3,015 shares are reserved for exercise of Common Stock Purchase Warrants); outstanding, 7,818,959 shares	7,818,959.00	
2460	TOTAL CAPITAL STOCK		$141,269,159.0
	NOTE PAYABLE—WITHOUT COLLATERAL TO ELECTRIC BOND AND SHARE COMPANY—DUE NOVEMBER 30, 1938		3,000,000.0
	CURRENT LIABILITIES:		
	*Notes Payable—Banks—Due July 20, 1936	$21,250,000.00	
	Notes Payable—Demand—Without Collateral to Electric Bond and Share Company	25,925,000.00	
	Accounts Payable	26,875.75	
	Accrued Accounts	395,133.39	
	TOTAL CURRENT LIABILITIES		47,597,009.1

Exhibit 23

RESERVE (Appropriated from Capital Surplus)		4,466,538.33
SURPLUS:		
Capital	$13,417,683.86	
Earned	7,476,926.58	
TOTAL SURPLUS		20,894,610.44
TOTAL		$217,227,316.91

NOTATIONS:

At December 31, 1935, there were outstanding Option Warrants entitling the holders, without limitation as to time, to purchase 4,864,967 shares of Common Stock at $33.33 1/3 a share; in lieu of cash each share of Second Preferred Stock surrendered with Option Warrants for three shares will be accepted at $100 in payment for three shares of Common Stock. There were outstanding, also, Common Stock Purchase Warrants entitling the holders to purchase on or before February 1, 1938, 3,015 shares of Common Stock at $20.00 per share.

Dividends on the $7 Preferred and $7 Second Preferred Stocks, which are cumulative, were in arrears $15.20 5/6 and $19.83 1/3 per share, respectively, as of December 31, 1934. During the year 1935, no dividends were declared on these stocks. No provision has been made in the above statement for undeclared cumulative dividends on the $7 Preferred Stock, amounting to $9,989,796.90 ($22.20 5/6 per share), and on the $7 Second Preferred Stock, amounting to $23,738,913.33 ($26.83 1/3 per share), to December 31, 1935.

* $42,500,000 principal amount United Gas Public Service Company 6% debentures, due July 1, 1953 (included in investments), are pledged as collateral to $21,250,000 principal amount of notes payable to banks.

Exhibit 24

CONSOLIDATED BALANCE SHEET

2464

UNITED COMPANY AND SUBSIDIARY COMPANIES

December 31, 1935

Assets

PLANT, PROPERTY, FRANCHISES, ETC. (based on ledger value)		$249,024,62
INVESTMENTS (ledger value)		6,638,04
CURRENT ASSETS:		
Cash in Banks—On Demand	$ 4,582,086.96	
Notes and Loans Receivable	230,527.19	
Accounts Receivable:		
2465 Customers and Miscellaneous	3,474,157.87	
Dallas Power & Light Company	32,211.55	
Louisiana Power & Light Company	80,281.86	
Mississippi Power & Light Company	9,728.15	
New Orleans Public Service Inc.	188,951.77	
Materials and Supplies (including Sulphur, $515,272.60)	1,791,884.81	
Prepayments	60,665.24	
Miscellaneous Current Assets	137,920.12	
TOTAL CURRENT ASSETS		10,588,41
2466 MISCELLANEOUS ASSETS:		
Reacquired Capital Stock, United Gas Public Service Company (246 shares $6 preferred)	$ 23,370.00	
Sinking Funds, Special Deposits, and Redemption Funds	674,833.68	
Advances in Connection with Acquisition of Properties	11,178.94	
Notes and Accounts Receivable—Not Current	558,818.20	
Advances and Accounts Collectible from Production	1,111,098.24	
TOTAL MISCELLANEOUS ASSETS		2,379,29

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Exhibit 24

CONTINGENT ASSETS (contra)		588,038.50	2467
DEFERRED CHARGES:			
Unamortized Debt Discount and Expense	$ 43,193.43		
Other	95,088.51		
TOTAL DEFERRED CHARGES		138,281.94	
TOTAL		$269,356,709.95	
Liabilities			
CAPITAL STOCK:			2468
United Gas Corporation:			
$7 Preferred, cumulative (no par value), non-voting (entitled upon liquidation to $100 a share); authorized, 1,000,000 shares; issued and outstanding, 449,822 shares	$ 44,982,200.00		
$7 Second Preferred, cumulative (no par value), each share entitled to three votes (entitled upon liquidation to $100 a share); authorized, 1,000,000 shares; issued and outstanding, 884,680 shares	88,468,000.00		2469
Common ($1.00 par value), each share entitled to one vote; authorized, 20,000,000 shares; issued, 7,823,117 shares; in treasury, 4,158 shares (of which 3,015 shares are reserved for exercise of Common Stock Purchase Warrants); outstanding, 7,818,959 shares	7,818,959.00		
TOTAL UNITED GAS CORPORATION	$141,269,159.00		

Exhibit 24

	Subsidiaries:		
2470	Preferred Stocks, 8,080 shares (entitled upon liquidation to $100 a share)	808,000.00	
	Common Stocks, 130,322 shares	289,734.58	
	TOTAL CAPITAL STOCK		$142,366.89
	LONG-TERM DEBT:		
	Subsidiaries:		
	Mortgage Bonds	$ 12,004,000.00	
	Collateral Trust Bonds	4,585,000.00	
2471	Debentures	1,850,000.00	
	TOTAL SUBSIDIARIES	$ 18,439,000.00	
	United Gas Corporation—Note Payable—Without Collateral to Electric Bond and Share Company—Due November 30, 1938 ..	3,000,000.00	
	TOTAL LONG-TERM DEBT		21,439,000
	CURRENT LIABILITIES:		
2472	Accounts Payable	$ 912,993.43	
	Dividends Declared—Preferred ..	8,935.50	
	Notes Payable of United Gas Corporation:		
	Demand—Without Collateral to Electric Bond and Share Company	25,925,000.00	
	Banks—Due July 20, 1936	21,250,000.00	
	Contracts Payable	76,282.21	
	Southern Gas Company Ten-Year 6½% Sinking Fund Gold Debenture Bonds, Series A, due October 1, 1936	93,000.00	
	Customers' Deposits	570,628.22	
	Accrued Accounts	2,535,702.20	
	Miscellaneous Current Liabilities	22,245.13	
	TOTAL CURRENT LIABILITIES		$1,394,78

Bottom

Exhibit 24

MISCELLANEOUS LIABILITIES:			2473
Matured Interest on Long-Term Debt, and Redemption Accounts (Cash in Special Deposits)	$ 55,500.76		
Contractual Liabilities Payable from Production	134,800.02		
TOTAL MISCELLANEOUS LIABILITIES		190,300.78	
CONTINGENT LIABILITIES (contra)		588,038.50	
DEFERRED CREDIT TO INCOME		5,000.00	
RESERVES:			2474
Property Retirement and Depletion	$ 17,792,356.22		
Uncollectible Accounts	946,721.36		
Inventory Adjustment	60,969.22		
General and Contingency (Appropriated from Capital Surplus)	4,929,928.34		
Other	249,355.17		
TOTAL RESERVES		23,979,330.31	
MINORITY INTEREST IN SURPLUS OF SUBSIDIARIES (Net)		66,547.15	2475
SURPLUS, LESS AMOUNT ACCRUING TO MINORITY INTEREST:			
Capital	$ 14,009,843.25		
Earned	15,316,969.69		
TOTAL SURPLUS		29,326,812.94	
TOTAL		$269,356,709.95	

NOTATIONS:

Dividends on the $7 Preferred and $7 Second Preferred Stocks of United Gas Corporation, which

2476 are cumulative, were in arrears $15.20 5/6 and $19.83 1/3 per share, respectively, as of December 31, 1934. During the year 1935, no dividends were declared on these stocks. No provision has been made in the above statement for undeclared cumulative dividends on the $7 Preferred Stock, amounting to $9,989,796.90 ($22.20 5/6 per share), and on the $7 Second Preferred Stock, amounting to $23,738,913.33 ($26.83 1/3 per share), to December 31, 1935.

At December 31, 1935, there were outstanding with the public, option and stock purchase warrants to purchase 4,867,982 shares of Common Stock
2477 of United Gas Corporation and option warrants to purchase 11,725 shares of Common Stock of Subsidiaries.

Certain intercompany-held securities of subsidiaries (eliminated in consolidation) have been pledged as set forth in the detailed schedules of capital stocks and long-term debt.

No provision has been made in the above statement for possible losses resulting from pending suits and claims (arising principally in connection with gas and oil producing properties). It is the practice to record any such losses when and as
2478 settled.

Exhibit 25

NATIONAL COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

NOVEMBER 30, 1935

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRED S				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by National Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value
tional Company	Holding Company	Six per cent. gold debentures, series A, due Aug. 1, 2026	$ 9,500,000.00	None	$6 preferred	None	No	279,716	$27,971,600.00
		Five per cent. gold debentures, series B, due May 1, 2030	15,000,000.00	None					
Birmingham Electric Company	Electric, Steam Heating & Transportation Service	First and refunding mortgage gold bonds, 4½% series, due March 1, 1968	12,200,000.00	None	$7 preferred $6 preferred	None None	No No	47,920 15,634	4,792,000.00 1,563,400.00
Carolina Power & Light Company	Electric & Transportation Service	First and refunding mortgage gold bonds, 5% series of 1956, due April 1, 1956	38,500,000.00	None	$7 preferred	None	Yes	110,359	11,035,900.00
		Yadkin River Power Company First mortgage thirty year five per cent. gold bonds, due April 1, 1941	7,500,000.00	None	$6 preferred	None	Yes	80,454	8,045,400.00
		Notes—Town of Nashville, N. C. due March 1, 1936	1,050.00	None					
		due Sept. 1, 1936	16,050.00	None					
		due semi-annually:							
		Mar. 1, 1937 to Mar. 1, 1939, incl.	3,000.00	None					
		Sept. 1, 1939 to Mar. 1, 1940, incl.	900.00	None					
		Sept. 1, 1940 to Mar. 1, 1941, incl.	600.00	None					
		due annually:							
		Sept. 1, 1941 to Mar. 1, 1942, incl.	300.00	None					
		Mar. 1, 1939 to Mar. 1, 1942, incl.	20,000.00	None					
		Note—Town of Bailey, N. C. due April 15, 1936	1,000.00	None					
Capitan Corporation (1)	Real Estate	All securities owned by Carolina Power & Light Company							

* Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

(1) Owns flowage lands and rights in Tennessee.

ERRED STOCK				TOTAL AMOUNT OF COMMON STOCK		
Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries
$27,971,600.00 *	None	None	Yes	5,456,117	$97,867,494.69	None
4,792,000.00 *	None	None	Yes	800,000	6,176,601.99	799,995 by National Company
1,563,400.00 *	None					
11,035,900.00 *	16,806 by National Company	None	Yes	2,500,000	24,100,417.05	2,499,986 by National Company
8,045,400.00 *	None					

Exhibit 25 (continued)

2482

2483

NATIONAL COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2484

Exhibit 25 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRE			
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by National Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par o Stated Valu
National Company—Continued									
Holston River Electric Company	Electric Service	6% Income Note—due Nov. 30, 1940	331,027.06	$ 331,027.06 by National Company	None				
Houston Lighting & Power Company	Electric Service	First lien and refunding mortgage gold bonds,			7% preferred	$100	Yes	30,000	3,000,000
		series A, 5%, due Mar. 1, 1953	12,000,000.00	None	$6 preferred	None	Yes	17,513	1,751,300
		series D, 4½%, due Nov. 1, 1978	6,000,000.00	None					
		series E, 4½%, due June 1, 1981	9,500,000.00	None					
Memphis Power & Light Company	Electric & Gas Service	First and refunding mortgage gold bonds,			$7 preferred	None	Yes	29,782	2,978,200
					$6 preferred	None	Yes	31,067	3,106,700
		series A, 5%, due Jan. 1, 1948	10,000,000.00	None					
		series C, 4½%, due Apr. 1, 1978	5,275,000.00	None					
Roanoke River Power Company	Electric Transmission Company also owns undeveloped hydro-electric site	6% Income Note—due Nov. 30, 1940	1,575,000.00	1,575,000.00 by National Company	None				
South Texas Utilities Company (2)	Water & Ice Service	All securities except directors' shares, owned by National Company							
Tennessee Public Service Company	Electric & Transportation Service	First and refunding mortgage gold bonds, 5% series, due Oct. 1, 1970	7,000,000.00	None	$6 preferred	None	Yes	49,603	4,960,300
		Knoxville Traction Company First mortgage, forty year, five per cent. gold bonds, due April 1, 1938	780,000.00	None					
West Tennessee Power & Light Company	Electric, Gas, Transportation, Water & Ice Service	Note due Nov. 25, 1940, 6%	$ 3,007,000.00	$3,007,000.00 by National Company	None				
		Assumed Bonds—City of Ripley, 5½%, due July 1, 1936	5,000.00	None					

* Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

(2) Renders water service in one community and sells ice in eight communities, all in Texas.

T OF PREFERRED STOCK			TOTAL AMOUNT OF COMMON STOCK				
Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries
			$100	Yes	60	6,000.00	60 by National Company
30,000	3,000,000.00	None	None	Yes	500,000	10,011,016.02	499,980 by National Company
17,513	1,751,300.00 *	None					
29,782	2,978,200.00 *	None	None	Yes	400,000	7,932,394.75	399,992 by National Company
31,067	3,106,700.00 *	None					
			$100	Yes	5	500.00	5 by National Company
49,603	4,960,300.00 *	42,342 by National Company	None	Yes	1,000,000	5,000,067.00	999,990 by National Company
			None	Yes	100,000	$ 1,500,000.00	99,993 by National Company

Exhibit 25 (continued)

2488

2489

NATIONAL COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2490

Exhibit 25 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTA
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by National Company and/or Subsidiaries	Title
National Company—Continued					
National Power & Light Company, Inc.	Name Saver—Inactive	All securities owned by National Power & Light Company			
Lehigh Power Securities Corporation	Holding Company	Six per cent. gold debentures, series A, due Feb. 1, 2026	25,000,000.00	None	$6 preferred
		Lancaster County Railway and Light Company Fifty year five per cent. collateral trust mortgage gold bonds. due July 1, 1951	480,000.00	None	
Lehigh Valley Transit Company	Holding-Operating Company. Transportation Service	Refunding and improvement mortgage fifty-year gold bonds, 5 %, due June 1, 1960	5,115,000.00	None	5% preferred
Allentown Bridge Company(3)	Toll Bridge	All capital stock owned by Lehigh Valley Transit Company			
Central Park Amusement Company(4)	Amusement Park	All capital stock owned by Lehigh Valley Transit Company			
Easton Consolidated Electric Co.	Holding Company	99.96% of capital stock owned by Lehigh Valley Transit Company; $32,500 principal am Transit Company and $21,000 principal amount owned by The Edison Illuminating Compan			
Easton Transit Company	Transportation Service in Pa.; all properties leased	All capital stock owned by Easton Consolidated Electric Company.			
Easton and South Bethlehem Transportation Company	Transportation Service in Pa.	All capital stock owned by Easton Transit Co.			
Freemansburg Land Company(5)	Real Estate	57.14% of capital stock owned by Easton Transit Company and 2.86% of capital stock owned			
The Edison Illuminating Co. of Easton	Owns electric distribution system leased to non-associated company	All capital stock owned by Easton Consolidated Electric Company.			
The Pennsylvania Motor Company	Transportation Service in Pa.	All capital stock owned by Easton Consolidated Electric Company.			
Lehigh Valley Realty Company(5)	Real Estate	All capital stock owned by Lehigh Valley Transit Company.			
Lehigh Valley Stone & Construction Company	Owns a stone-crusher and securities of subsidiary engaged in transportation service, all in Pa.	All capital stock owned by Lehigh Valley Transit Company.			
Lehigh Valley Transportation Company	Transportation Service in Pa. and N. J.	All capital stock owned by Lehigh Valley Stone & Construction Company.			
Norristown Transit Company	Transportation Service in Pa.	50% of capital stock owned by Lehigh Valley Transit Company.			

tinued)

	TOTAL AMOUNT OF PREFERRED STOCK					TOTAL AMOUNT OF COMMON STOCK				
	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries
rred	None	Yes	130,000	$13,000,000.00 *	129,723 by National Company	None	Yes	2,928,280	47,000,000.00	2,918,082 by National Company
erred	$50	Yes	99,593.7474	4,979,687.37	98,349) Scrip 28.27) by Lehigh Company	$50	Yes	59,947	2,997,350.00	58,275 by Lehigh Company

pal amount Collateral Trust 5% Gold Bonds owned by Lehigh Company, $991,000 principal amount owned by Lehigh Valley Company of Easton (Depreciation Reserve Fund).

owned by Lehigh Valley Stone & Construction Company.

* Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

(3) Owns and operates toll bridge in Allentown, Pa.
(4) Operates amusement park near Allentown, Pa.
(5) Owns non-utility land in Pennsylvania.

Exhibit 25 (continued)

2494

NATIONAL COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

2495

November 30, 1935

(opposite page)

2496

Exhibit 25 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERRED			
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by National Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par Stated V
National Company—Continued									
Lehigh Power Securities Corporation—Continued									
Pennsylvania Power & Light Company	Holding-Operating Company. Electric, Gas, Steam-Heating Service	First mortgage gold bonds, 4½ % series, due April 1, 1981	$121,000,000.00	$19,000,000.00 by Lehigh Company	Preferred ($7)	None	Yes	371,092	$37,109,2
		6% gold debenture bonds, series A, due December 1, 1950	10,000,000.00	10,000,000.00 by Lehigh Company	$6 preferred $5 preferred	None None	Yes Yes	76,308 158,208	7,630,8 15,820,8
		Columbia Gas Company Five per cent. thirty year gold bonds, due Jan. 1, 1941	125,000.00	None					
Conestoga Transmission Company	Owns Electric Transmission Line in Pa. leased to Pennsylvania Power & Light Company	None						None	
Hazle Township Water Company(6)	Water Service	All securities owned by Pennsylvania Power & Light Company							
Hummelstown Water Supply Company(6)	Water Service	All securities owned by Pennsylvania Power & Light Company							
Juniata River Water Power Company	Inactive	None						None	
Lehighton Electric Light & Power Company	Electric Service	None						None	

* Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

(6) Renders water service in one community in Pennsylvania.

PREFERRED STOCK		TOTAL AMOUNT OF COMMON STOCK				
Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries
$37,109,200.00 *	15,469 by Lehigh Valley Transit Company	None	Yes	1,879,095	$16,548,700.21	1,879,095 by Lehigh Company
7,630,800.00 *	None					
15,820,800.00 *	None					
		$50	Yes	5,240	262,000.00	653 by Pennsylvania Power & Light Company 760 by Pennsylvania Realty & Investment Co.
		$50) None)	Yes	4) 48)	5,000.00	4) 48) by Pennsylvania Power & Light Company
		$100	Yes	300	$ 30,000.00	300 by Pennsylvania Power & Light Company

Exhibit 25 (continued)

2500

2501

NATIONAL COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

November 30, 1935

(opposite page)

2502

Exhibit 25 (Continued)

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AMOUNT OF LONG-TERM DEBT		TOTAL AMOUNT OF PREFERRED				
		Title of Issue and Maturity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by National Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value
National Company—Continued									
Lehigh Power Securities Corporation—Continued									
Pennsylvania Power & Light Co.—Continued									
The Milnesville Water Company	Inactive	All capital stock owned by Pennsylvania Power & Light Company							
North Branch Development Company(7)	Natural Gas Production	None			None				
Pennsylvania Realty & Investment Company(8)	Real Estate	All securities, except real estate mortgage of $2,400, owned by Pennsylvania Power & Light Company							
East Penn Transportation Company(9)	Transportation Service	All securities owned by Pennsylvania Realty & Investment Company							
West Pittston-Exeter Railroad Company	Operates short-line railroad in Pa.	50% of capital stock owned by Pennsylvania Realty & Investment Company							
Stanton Operating Company	Operates steam-electric station	None							
Susquehanna Boom Company	Operates a dam in Pa.	49.99% of capital stock owned by Pennsylvania Power & Light Company							
Susquehanna Gas Company(10)	Transmission of Natural Gas	None			None				

* Capital stock account is not segregated on the books of the company; for the purpose of this statement the preferred stocks are assigned the amounts to which they are entitled in liquidation, i.e., $100 a share, and the balance of the capital stock account assigned to the common stock.

(7) Produces natural gas in Pennsylvania.
(8) Owns non-utility land in Pennsylvania and New Jersey.
(9) Renders bus service in and near Pottsville, Pa.
(10) Transports in Pennsylvania natural gas produced in that state.

ERRED STOCK		TOTAL AMOUNT OF COMMON STOCK				
Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries
		None	Yes	7	700.00	7 by Pennsylvania Power & Light Company
		$100	Yes	50	5,000.00	25 by Pennsylvania Power & Light Company
		None	Yes	50	5,000.00	50 by Pennsylvania Power & Light Company

Exhibit 25 (continued)

2506

NATIONAL COMPANY AND SUBSIDIARIES
CORPORATE STRUCTURE

2507

November 30, 1935

(opposite page)

2508

NAME OF ISSUER	KIND OF BUSINESS	TOTAL AM
		Title of Issu
		Maturity I
National Company—Continued		
Lehigh Power Securities Corporation—Continued		
Pennsylvania Power & Light Co.—Continued		
Watts Water and Power Company	Inactive	None
Valley Railways	Transportation Service in Pa.	All securities own Company
Valley Transportation Company	Transportation Service in Pa.	All capital stock o Valley Railways
Wrightsville Water Supply Company (11)	Water Service	All securities owne Company
Lehigh Power Securities Corporation (N.Y.)	Name Saver—Inactive	All securities owne Company
Lancaster County Railway and Light Company	Inactive	All securities owne Company

The above statement does not include current maturities included among current liabilities as follows:

Lehigh Valley Transit Company		
First mortgage thirty year gold bonds, series A, 4%, due December 1, 1935	$2,770,000.00	$ 50,000 principal amount owned by
series B, 5%, due December 1, 1935	2,224,000.00	principal amount owned by E $197,000 principal amount owned by I cipal amount owned by Edis amount owned by Edison Illu
Consolidated mortgage thirty year gold bonds, series C, 4%, due December 1, 1935	225,000.00	None owned by National Company.

The above statement does not include the following issues, for which funds are deposited with Trustee for redemption at maturity or call date:

Pennsylvania Power & Light Company		
The Lancaster Gas Light and Fuel Company 5% thirty-year gold bonds, due Jan. 1, 1936	71,000.00	None owned by National Company.
The Williamsport Gas Company First Mortgage gold bonds, due Feb. 1, 1939	27,000.00	None owned by National Company.
Conestoga Terminal Company First mortgage sinking fund gold bonds, 5½%, due June 1, 1954 (called for redemption December 1, 1935)	669,000.00	None owned by National Company.

Exhibit 25 (Continued)

AMOUNT OF LONG-TERM DEBT			TOTAL AMOUNT OF PREFERR				
of Issue and curity Date	Principal Amount Outstanding Less Amount Held in Treasury and/or Reacquired	Principal Amount Owned by National Company and/or Subsidiaries	Title	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total P Stated V
			None				

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ed by Lehigh Valley Stone & Construction Company and $30,000
ed by Edison Illuminating Company of Easton.
ed by Lehigh Valley Stone & Construction Company, $22,000 prin-
y Edison Illuminating Company of Easton and $18,000 principal
on Illuminating Company of Easton (Depreciation Reserve Fund).

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The above statement does not include the following:

Lehigh Valley Transit Company
Guarantee (jointly with Philadelphia & Western Railway Company) of Norristown Transit Company—First mortgage 5% bonds, due February 1, 1942

Lehigh Power Securities Corporation
Guarantee by Lancaster County Railway and Light Company of Conestoga Realty Company Fifty year 5% Gold Bonds. due May 1, 1958. This guarantee assumed by Lehigh Company

(11) Renders water service in one community in Pennsylvania.

OF PREFERRED STOCK					TOTAL AMOUNT OF COMMON STOCK		
umber of Shares utstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries	Par	Voting	Number of Shares Outstanding less Amount Held in Treasury and/or Reacquired	Total Par or Stated Value	Number of Shares Owned by National Company and/or Subsidiaries
			$50) None)	Yes	4) 48)	5,000.00	4) 48) by Pennsylvania Power & Light Company

clude the following:

elphia & Western Railway nsit Company—First mort- 1, 1942	200,000.00	$ 14,000 owned by Lehigh Valley Transit Company.
Railway and Light Com- pany Fifty year 5% Gold is guarantee assumed by	81.000.00	6,000 owned by Pennsylvania Realty & Investment Company.

community in Pennsyl-

Exhibit 26

BALANCE SHEET

2512

NATIONAL COMPANY

December 31, 1935

ASSETS

INVESTMENTS IN SUBSIDIARIES, ETC.—STOCKS, BONDS, NOTES, ETC.		$140,764,962
(Ledger value—based on Company's valuations of securities acquired for securities issued and on cash costs, less net proceeds received and other credits arising through disposal of investments included in group valuations. Losses or gains arising through the disposal of bonds and other investments included in group valuations—undeterminable in the absence of individual valuations—are included in ledger value.)		
2513		
CURRENT ASSETS:		
Cash in Banks—On Demand	$10,922,290.26	
Cash in Banks—Time Deposits	2,650,000.00	
United States Treasury Notes (valuation at market quotations, $215,128)	210,340.75	
Accounts Receivable from Subsidiaries	185,780.68	
2514 Accounts Receivable from Others	4,581.09	
TOTAL CURRENT ASSETS		13,972,992
SPECIAL DEPOSIT—INTEREST		285,000
CONTINGENT RIGHT TO RECEIVE JUNIOR SECURITIES OF BIRMINGHAM ELECTRIC COMPANY (contra)		500,000
DEFERRED CHARGES:		
Unamortized Debt Discount and Expense	$ 2,635,241.94	
Other	141,142.00	
TOTAL DEFERRED CHARGES		2,776,383
TOTAL		$158,299,339

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Exhibit 26

LIABILITIES

CAPITAL STOCK (no par value):			2515
Represented by:			
$7 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $6 Preferred; authorized, 9,063 shares; issued, none,			
$6 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $7 Preferred; authorized, 500,000 shares; issued and outstanding, 279,716 shares,			
Common; authorized, 7,500,000 shares; outstanding (less 12,810 shares held in treasury), 5,456,117 shares,			2516
		$125,839,094.69	
LONG-TERM DEBT:			
Six Per Cent. Gold Debentures, Series A, due August 1, 2026	$ 9,500,000.00		
Five Per Cent. Gold Debentures, Series B, due May 1, 2030	15,000,000.00		
TOTAL LONG-TERM DEBT		24,500,000.00	
CURRENT LIABILITIES:			
Preferred Dividend Declared, Payable February 1, 1936	$ 419,574.00		2517
Accounts Payable	33,684.42		
Accrued Accounts	129,774.04		
TOTAL CURRENT LIABILITIES		583,032.46	
ACCRUED INTEREST ON LONG-TERM DEBT (cash in Special Deposit)		237,500.00	
CONTINGENT LIABILITY FOR ADDITIONAL CASH INVESTMENT IN JUNIOR SECURITIES OF BIRMINGHAM ELECTRIC COMPANY (contra)		500,000.00	
RESERVE (appropriated from Capital Surplus)		281,378.26	
EARNED SURPLUS		6,358,333.63	
TOTAL		$158,299,339.04	

Exhibit 27

CONSOLIDATED BALANCE SHEET

2518

NATIONAL COMPANY AND SUBSIDIARY COMPANIES

December 31, 1935

ASSETS

PLANT, PROPERTY, FRANCHISES, ETC., of Subsidiary Companies (based on ledger value)	$470,061,789.65
Net adjustment arising from the elimination of intercompany-held securities, including balance of surplus of subsidiaries at dates of acquisition as adjusted	36,913,682.22
PLANT, PROPERTY, FRANCHISES, ETC. (including undetermined amount of cost of acquiring capital arising prior to 1932, estimated by Company to be approximately 5% of the total plant account)—total	$506,975,47
*INVESTMENTS—SECURITIES, Long-Term Advances, Etc. (ledger value)	4,525,14

2519

2520

* Includes $605,000 principal amount of county and municipal securities, which, together with $3,020,500 reacquired bonds and certain intercompany-held stocks (eliminated in consolidation), are pledged by subsidiaries under collateral trust and mortgage bonds, etc., as set forth in the detailed schedules of capital stocks and long-term debt. Also includes investment in The Memphis Street Railway Company, which entered receivership July 22, 1933. Following receivership that company was reorganized and since January 31, 1935, has been operated by non-affiliated voting trustees. The accounts of the company are not included in the above consolidated balance sheet.

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Exhibit 27

CURRENT ASSETS:			
Cash in Banks—On Demand	$ 31,378,931.93		
Cash in Banks—Time Deposits	7,551,117.85		2521
United States Government and Other Short-Term Securities (valuation at market quotations, $4,522,058)	4,483,146.93		
Notes Receivable	90,555.87		
Accounts Receivable:			
Subsidiaries from their Reserve Funds (net)	235,065.19		
Customers and Miscellaneous	8,496,446.64		
Materials and Supplies	4,993,857.58		
Prepayments	1,023,314.65		
Miscellaneous Current Assets	241,412.14		
TOTAL CURRENT ASSETS		58,493,848.78	2522
MISCELLANEOUS ASSETS:			
Reserve Funds:			
Cash	$ 1,220,662.56		
Bank Balance Subordinated to Loan made by Reconstruction Finance Corporation to Bank	48,000.00		
United States Government Securities (valuation at market quotations, $540,919)	537,572.94		
County and Municipal Securities (valuation at market quotations, $433,340)	407,940.97		
The Memphis Street Railway Company $83,580 principal amount Series A Bonds, $83,580 principal amount Series B (Income) Bonds, and Voting Trust Certificates for 398 shares Preferred Stock (valuation at market quotations, $98,928)	49,750.00		2523
Miscellaneous Assets	664.94		
TOTAL	$ 2,264,591.41		
Less Accounts Payable to Subsidiaries from their Reserve Funds (net)	235,065.19		
TOTAL RESERVE FUNDS	$ 2,029,526.22		

Exhibit 27

2524	Reacquired Securities (14,013 71/100 shares of subsidiaries' preferred stocks, reacquired by them)	1,450,302.14	
	Special Deposits and Redemption Funds (including $460,000 principal amount United States Government securities pledged by subsidiaries as security for surety bonds, etc.)	2,010,812.67	
	Notes and Accounts Receivable — Not Current	395,890.88	
	TOTAL MISCELLANEOUS ASSETS		5,886,531
	SECURITIES GUARANTEED BY SUBSIDIARIES (contra)		268,000
2525	CONSIGNED MATERIALS (contra)		13,303
	DEFERRED CHARGES:		
	Unamortized Debt Discount and Expense	$ 9,926,406.23	
	Other	479,621.78	
	TOTAL DEFERRED CHARGES		10,406,028.
	TOTAL		$586,568,325.

LIABILITIES

2526 CAPITAL STOCK:

Represented by:

National Power & Light Company (no par value):

$7 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $6 Preferred; authorized, 9,063 shares; issued, none,

$6 Preferred, cumulative (entitled upon liquidation to $100 a share); pari passu with $7 Preferred; authorized, 500,000 shares; issued and outstanding, 279,716 shares,

Page Tightly Bound

Exhibit 27

Common; authorized, 7,500,000 shares; outstanding (less 12,810 shares held in treasury), 5,456,-117 shares,		$125,839,094.69	2527
Subsidiaries:			
Preferred—958,855 18/100 shares, based on priority in liquidation		95,823,309.10	
Common—12,078 shares		255,380.82	
TOTAL CAPITAL STOCK			$221,917,784.61
LONG-TERM DEBT:			
National Power & Light Company:			2528
Six Per Cent. Gold Debentures, Series A, due August 1, 2026		$ 9,500,000.00	
Five Per Cent. Gold Debentures, Series B, due May 1, 2030		15,000,000.00	
Subsidiaries:			
Mortgage Bonds	$216,445,000.00		
Debentures	25,000,000.00		
Collateral Trust Bonds	672,500.00	242,117,500.00	
TOTAL LONG-TERM DEBT			266,617,500.00
CURRENT LIABILITIES:			2529
Accounts Payable		$ 1,936,903.87	
Dividends Declared		1,844,573.90	
Notes Payable		22,100.00	
Contracts Payable and Real Estate Mortgage		7,400.00	
Mortgage Bonds of Subsidiaries:			
Maturing July 1, 1936	$ 205,000.00		
Matured December 1, 1935	4,902,000.00	5,107,000.00	
Customers' Deposits		2,406,206.74	
Accrued Accounts		12,040,749.17	
Miscellaneous Current Liabilities		37,513.36	
TOTAL CURRENT LIABILITIES			23,402,447.04

Exhibit 27

	MISCELLANEOUS LIABILITIES:		
2530	Matured and Accrued Interest on Long-Term Debt, and Redemption Accounts (cash in Special Deposits)	$ 1,279,603.84	
	Notes and Accounts Payable—Not Current	62,671.96	
	TOTAL MISCELLANEOUS LIABILITIES		1,342,275.8
	SECURITIES GUARANTEED BY SUBSIDIARIES (contra)		268,000.0
	CONSIGNMENTS (contra)		13,303.7
	SUNDRY CREDITS:		
	Deferred Credits to Income	$ 64,962.86	
2531	Other	119,132.50	
	TOTAL SUNDRY CREDITS		184,095.3
	RESERVES:		
	Property Retirement	$ 39,718,996.83	
	Uncollectible Accounts	1,281,087.34	
	Inventory Adjustment	227,632.01	
	Casualty and Insurance	1,915,012.20	
	Other	829,542.47	
	TOTAL RESERVES		43,972,270.1
2532	UNDECLARED CUMULATIVE DIVIDENDS ON PREFERRED STOCKS OF SUBSIDIARIES HELD BY PUBLIC		1,405,023.1
	MINORITY INTEREST IN SURPLUS (AND DEFICITS) OF SUBSIDIARIES (net)		68,687.1
	SURPLUS:		
	Appropriated	$ 152,159.74	
	Earned, Less Amount Accruing to Minority Interest	27,224,777.94	
	TOTAL SURPLUS		27,376,937.6
	TOTAL		$586,568,325.7

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Exhibit 27

NOTATIONS:

2533

As of March 1, 1936, holders of bonds aggregating $3,895,000 principal amount of the issues of bonds stated under Current Liabilities as maturing July 1, 1936, and matured December 1, 1935, have deposited their bonds under Extension Agreements which are now awaiting approval by the Federal District Court, in Philadelphia, and the Public Service Commission of Pennsylvania.

Lehigh Valley Transit Company and Easton Transit Company, two of the companies having bonds deposited under Extension Agreements, have, in connection therewith, filed petitions for reorganization under Section 77B of the Federal Bankruptcy Act in the Federal District Court, in Philadelphia. The accounts of the companies, in the above Consolidated Balance Sheet, therefore are subject to these proceedings.

2534

2535

2536

Exhibit 38

BOND AND SHARE INVESTMENTS

SCHEDULE A—TOTAL INVESTMENTS.

2537 SCHEDULE B—ANALYSIS OF LEDGER VALUE AND COST OF INVESTMENTS IN MAJOR HOLDING DEFENDANTS AS AT DECEMBER 31, 1927 AND DECEMBER 31, 1934.

SCHEDULE C—ANALYSIS OF LEDGER VALUE AND COST OF INVESTMENTS IN AMERICAN & FOREIGN POWER COMPANY INC. AS OF DECEMBER 31, 1934.

2538

Exhibit 28

SCHEDULE A

BOND AND SHARE INVESTMENTS

December 31, 1935

STOCKS AND OPTION WARRANTS	*Description*	*Par Value*	*Ledger Value*	
Defendant Holding Companies				
American Gas	Common	None	37,690,981.45	
American Company	$5 Pfd. "A"	"	1,556,236.80	
"	Common	"	22,183,156.01	
"	" Opt. to Pur.	"	—	
Electric Company	$7 Pfd.	")		
"	$7 2nd Pfd.	")		
"	Common	")	36,606,915.55	
"	Opt. Wts.	")		
National Company	Common	"	59,612,055.52	
"	" Opt. to Pur.	"	—	
United Company	$7 Pfd.	"	1,594,913.83	
"	Common	$1	12,941,240.07	
"	Opt. Wts.	None	—	
				172,185,499.23
Wholly Owned Subsidiaries				
Electric Bond & Share Securities, Inc.	Common	None	10,000.00	
Ebasco	Capital	$100	2,600,000.00	
			—	
				2,610,000.00
Other Companies				
Amer. & For. Pr. Co., Inc.	$7 Pfd.	None)		
"	" Opt. to Pur.	")		
"	$6 Pfd.	")		
"	$7 2nd Pfd.	")		
"	Common	")		
"	" Opt to Pur.	")		
"	Opt. Wts.	")		229,952,433.67
Commonwealth & Southern Corp.	Common	"	5,889,537.50	
"	Opt. Wts.	"	644,372.44	
Louisiana & Arkansas Railroad	Syndicate ($125,000 principal amount)	"	—	
Niagara Hudson Power Co.	Opt. Wts. "A"	"	43.312.50	
United Corporation, The	Opt. Wts.	"	93,750.00	
			—	
				6,670,972.44

Exhibit 28

2542

BOND AND SHARE INVESTMENTS

SCHEDULE A—TOTAL INVESTMENTS—*Continued*

2543 (opposite page)

2544

Exhibit 28, Schedule A (Continued)

BONDS

Company	*Description*	*Interest Rate %*	*Due*	*Ledger Value*	
Northern Texas Utilities Company	1st Mtge.	6	11/1/40	$ 1,280,000.00	
Texas Power & Light Company	1st Mtge.	4¾	1965	5,037,120.00	
Arkansas Power & Light Co.	1st & Ref. Mtge.	5	10/1/56	689,482.50	
Carolina Power & Light Co.	1st & Ref. Mtge.	5	4/1/56	433,670.00	
Central Arizona Light & Power Co.	1st Mtge.	5	6/1/60	41,073.75	
Dallas Power & Light Co.	1st Mtge. "B"	7½	7/1/49	1,103.75	
Dixie Gulf Gas Co.	Sink. Fund W. W. "A"	6½	9/1/37	95,597.51	
"	" " X. W. "A"	6½	9/1/37	235,008.34	
Florida Power & Light Co.	1st Mtge.	5	1/1/54	278,455.00	
Houston Gas Securities Co.	Coll. Trust	5	3/1/52	360,232.50	
Louisiana Power & Light Co.	1st Mtge.	5	12/1/57	353,355.00	
Memphis Power & Light Co.	1st & Ref. Mtge. "A"	5	1/1/48	185,276.25	
Minnesota Light & Power Co.	1st & Ref. Mtge.	5	6/1/55	75,832.50	
"	1st & Ref. Mtge.	4½	5/1/78	123,146.25	
Mississippi Power & Light Co.	1st Mtge.	5	12/1/57	295,117.50	
New Orleans Public Service, Inc.	1st & Ref. Mtge. "A"	5	10/1/52	234,577.50	
"	1st & Ref. Mtge. "B"	5	6/1/55	297,792.50	
Pacific Power & Light Co.	1st Mtge. & Pr. Lien	5	8/1/55	160,701.25	
Palmer Corp. of La., The	1st Mtge. Sink. Fund	6	6/1/38	67,539.42	
South Texas Gas Co.	1st Mtge. & Coll. W. W. "A"	6½	3/1/38	24,135.05	
"	1st Mtge. & Coll. X. W. "A"	6½	3/1/38	192,948.22	
Texas Electric Service Co.	1st Mtge.	5	7/1/60	201,995.00	
Texas Power & Light Co.	1st & Ref. Mtge.	5	11/1/56	110,655.00	
Utah Power & Light Co.	1st Mtge. Amer.	5	2/1/44	202,791.25	
Cuban Electric Company	Debentures	6	5/1/48	20,000,000.00	
					$30,977,606.04
NOTES RECEIVABLE					
American & Foreign Power Co. Inc		5	10/26/38	7,976,762.02	
"		7	11/15/38	35,000,000.00	
United Gas Corporation		6	demand	25,925,000.00	
"		6	11/30/38	3,000,000.00	
					71,901,762.02
			Total		$514,298,273.40

Exhibit 28

2548

BOND AND SHARE INVESTMENTS

2549 SCHEDULE B—ANALYSIS OF LEDGER VALUE AND COST O
INVESTMENTS OF BOND AND SHARE I
STOCKS OF MAJOR HOLDING DEFENDANTS A
AT DECEMBER 31, 1927 AND DECEMBER 31, 193

(opposite page)

2550

Page Tightly Bound

Exhibit 28 (Continued)

SCHEDULE B

ANALYSIS OF LEDGER VALUE AND COST OF INVESTMENTS OF BOND AND SHARE IN STOCKS OF MAJOR HOLDING COMPANY DEFENDANTS AS AT DECEMBER 31, 1927 AND DECEMBER 31, 1934

	CASH PURCHASES IN OPEN MARKET		ACQUISITION IN EXCHANGE FOR SECURITIES		STOCK DIVIDENDS		STOCK RECEIVED FOR SERVICES OR OTHER INTANGIBLES		*REAP
	Shares	Amount	Shares	Cost to Bond and Share of Securities Exchanged	Shares	Ledger Value on Books of Bond and Share	Shares	Ledger Value on Books of Bond and Share	Gross Appreciation
AMERICAN COMPANY									
Common Stock									
To December 31, 1927	14,025.82	$ 332,535.76	153,203	$1,163,439.94	79,673.64	$796,736.40	211,560	$241,240.00	$4,261,732.47
January 1, 1928 to December 31, 1934	105,701.12(1)	8,026,345.56	68,704(2)	4,414,232.00(3)	304,342.42	3,765,772.54	.....	.....	.....
Total—December 31, 1934	119,726.94	$8,358,881.32	221,907	5,577,671.94	384,016.06	4,562,508.94	211,560	241,240.00	4,261,732.47
Preferred Stock									
December 31, 1934	.....	.....	51,840	532,000.32	.....	.....	.....	.....	2,068,716.48
ELECTRIC COMPANY									
Common Stock									
To December 31, 1927	21,534	40,250.00	224,772	50,292.35	.....	.....	54,035	1.00	400,484.79
January 1, 1928 to December 31, 1934	250,401(4)	12,302,040.33	5,500(6)	227,312.50	.....	.....	.....	.....	.....
	1,365,396(5)	20,480,940.00	55,000(2)	1,601,875.00(7)	.....	.....	.....	.....	.....
Total—December 31, 1934	1,637,331	32,823,230.33	285,272	1,879,479.85	.....	.....	54,035	1.00	400,484.79
Second Preferred Stock									
To December 31, 1927	9,480	891,120.00	.....	.....	.....	.....	.....	.....	.....
January 1, 1928 to December 31, 1934	300	23,060.00	4,125(2)	391,875.00(8)	.....	.....	.....	.....	.....
Total—December 31, 1934	9,780	914,180.00	4,125	391,875.00	.....	.....	.....	.....	.....
Preferred (First) Stock									
To December 31, 1927	1,970	54,068.47	.....	.....	.....	.....	.....	.....	.....
January 1, 1928 to December 31, 1934	*1,485*(10)	*54,067.47*	.....	.....	.....	.....	.....	.....	.....
Total—December 31, 1934	485	1.00	.....	.....	.....	.....	.....	.....	.....
Option Warrants									
To December 31, 1927	.....	.....	.....	.....	.....	.....	353,408	.....	.....
January 1, 1928 to December 31, 1934	.....	.....	40,000(2)	590,000.00(9)	.....	.....	.....	.....	.....
Total—December 31, 1934	.....	.....	40,000	590,000.00(9)	.....	.....	353,408	.....	.....

REAPPRAISALS OF INVESTMENTS			TOTAL	
tion	Gross Depreciation	Net Appreciation	Shares	Ledger Value
32.47	$ 818,893.66	$3,442,838.81	458,462.46	$ 5,976,790.91
....	.....	.....	478,747.54	16,206,350.10
32.47	818,893.66	3,442,838.81	937,210	22,183,141.01
8.48	1,044,480.00	1,024,236.48	51,840	1,556,236.80
84.79	392,336.42	8,148.37	300,341	98,691.72
....	.....	.....	.....	.....
....	.....	.....	1,676,297	34,612,167.83
84.79	392,336.42	8,148,37	1,976,638	34,710,859.55
....	.....	.....	9,480	891,120.00
....	.....	.....	4,425	414,935.00
....	.....	.....	13,905	1,306,055.00
....	.....	.....	1,970	54,068.47
....	.....	.....	*1,485*	*54,067.47*
....	.....	.....	485	1.00
....	.....	.....	353,408	.....
....	.....	.....	40,000	590,000.00
....	.....	.....	393,408	590,000.00

Exhibit 28

2554

BOND AND SHARE INVESTMENTS

2555 SCHEDULE B—ANALYSIS OF LEDGER VALUE AND COST
INVESTMENTS OF BOND AND SHARE
STOCKS OF MAJOR HOLDING COMPANY
FENDANTS AS AT DECEMBER 31, 1927 A
DECEMBER 31, 1934—*Continued.*

(opposite page)

2556

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Exhibit 28, Schedule B (Continued)

	CASH PURCHASES IN OPEN MARKET		ACQUISITION IN EXCHANGE FOR SECURITIES		STOCK DIVIDENDS		STOCK RECEIVED FOR SERVICES OR OTHER INTANGIBLES		*REAPP
	Shares	Amount	Shares	Cost to Bond and Share of Securities Exchanged	Shares	Ledger Value on Books of Bond and Share	Shares	Ledger Value on Books of Bond and Share	Gross Appreciation
NATIONAL COMPANY									
Common Stock									
To December 31, 1927	99,653	$325,682.40	234,120	$344,321.06	$.....	$.....	195,000	$260,000.00	$1,092,401.81
January 1, 1928 to December 31, 1934	1,120,854 (11)	44,834,267.97	641,410 (12)	5,495,742.00	.....	.....	.....	.....	836,499.00
	.....	.....	200,000 (2)	4,600,000.00 (13)	.....	.....	.....	.....	.....
	.....	.....	49,400 (6)	1,918,922.50	.....	.....	.....	.....	.....
Total—December 31, 1934	1,220,507	45,159,950.37	1,124,930	12,358,985.56	.....	.....	195,000	260,000.00	1,928,900.81
AMERICAN GAS									
Common Stock									
To December 31, 1927	7,765.04	263,902.03	2,000	6,500.00	136,061.96	1,442,571.20	24,155	49,620.00	2,152,034.16
January 1, 1928 to December 31, 1934	145,190.92	18,784,088.66	158,141 (2)	11,544,293.00 (14)	373,671.70	3,736,717.00	.....	.....	.....
Total—December 31, 1934	152,955.96	19,047,990.69	160,141	11,550,793.00	509,733.66	5,179,288.20	24,155	49,620.00	2,152,034.16
UNITED COMPANY									
December 31, 1934									
Common Stock	21,341		281,325 (15)		.....	.....	450,000		.....
Option Warrants	5	309,075.87	1,000	5,596,500.00	.....	.....	150,000	7,035,664.20	.....
December 31, 1934									
First Preferred Stock	17,310	1,594,913.83	.....	.....	.....	.....	.....	.....	.....

* For the period from January 31, 1909 to December 31, 1923, Investments were appraised annually to an amount, approximating the market quotation, with resulting increase or decrease in ledger values from year to year.

NOTES:

(1) 106,602.10 Shares purchased in open market for cash, less 900.98 shares sold for cash.

(2) Acquired in accordance with Plan and Agreement of Reorganization between Electric Investors Inc., and Bond and Share, dated September 23, 1929.

(3) Represents valuation recorded on books of Bond and Share. This valuation was $1,388,238.47, in excess of ledger value on books of Electric Investors Inc., the selling company.

(4) 258,601 shares purchased in open market for cash, less 8,200 shares sold for cash.

(5) Purchased from Electric Company in accordance with offer to Stockholders dated October 31, 1931, including 797,550 shares not subscribed to by other stockholders.

(6) Acquired in connection with merger of Ebasco Corporation, and Bond and Share, March 20, 1929. No change in ledger value.

(7) Represents valuation recorded on books of Bond and Share. This valuation was $763,166.06, in excess of ledger value on books of Electric Investors Inc., the selling company.

(8) Represents valuation recorded on books of Bond and Share. This valuation was $5,474.35, in excess of ledger value on books of Electric Investors, Inc., the selling company.

(9) Represents valuation recorded on books of Bond and Share. valuation was $589,999.00 in excess of ledger value on boo Electric Investors, Inc., the selling company.

(10) Shares sold for cash.

(11) 1,215,954 shares purchased in open market for cash, less 9 shares sold for cash.

(12) Shares received in exchange for like number of shares of L Company common stock, which included 425,710 shares of L Company stock received by Bond and Share for services ganization of Lehigh Company in 1917.

EAPPRAISALS OF INVESTMENTS			TOTAL	
ation	Gross Depreciation	Net Appreciation	Shares	Ledger Value
1.81	$95,786.22	$996,615.59	528,773	$1,926,619.05
9.00	.....	836,499.00	.....	.....
....	.....	.....	.....	.....
....	.....	.....	2,011,664	57,685,431.47
0.81	95,786.22	1,833,114.59	2,540,437	59,612,050.52
4.16	288,744.60	1,863,289.56	169,982	3,625,882.79
....	.....	.....	677,003.62	34,065,098.66
4.16	288,744.60	1,863,289.56	846,985.62	37,690,981.45
....	.....	.....	752,666	
....	.....	.....	151,005	12,941,240.07
....	.....	.....	17,310	1,594,913.83

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(13) Represents valuation recorded on books of Bond and Share. This valuation was $1,293,399.33 in excess of ledger value on books of Electric Investors, Inc., the selling company.

(14) Represents valuation recorded on books of Bond and Share. This valuation was $4,228,668.41, less that ledger value on books of Electric Investors, Inc., the selling company.

(15) 3000 shares common stock and 1,000 option warrants having a ledger value of $30,000.00, received in exchange for United Company Common Stock, and 278,325 shares common stock were received in exchange for the issuance of $6 Preferred Stock of Bond and Share.

Exhibit 28

2560

BOND AND SHARE INVESTMENTS

2561

SCHEDULE C—ANALYSIS OF LEDGER VALUE AND COST
INVESTMENT IN AMERICAN & FOREI
POWER COMPANY INC.—DECEMBER 31, 1934

(opposite page)

2562

Page Tightly Bound

Exhibit 28 (Continued)

SCHEDULE C

ANALYSIS OF LEDGER VALUE AND COST OF INVESTMENT IN AMERICAN & FOREIGN POWER COMPANY INC.

DECEMBER 31, 1934

	CASH PURCHASES		ACQUISITIONS IN EXCHANGE FOR SECURITIES		RECEIPT OF STOCK DIVIDENDS		STOCKS RECEIVED FOR SERVICES OR OTHER INTANGIBLES		TOTAL	
	Shares	Amount	Shares	Cost to Bond and Share of Securities Exchanged	Shares	Ledger Value	Shares	Ledger Value	Shares	Ledger Value
$7 Preferred Stock	6,394 (1)	$ 614,915.48	500 (2)	$ 53,291.00		$		$		
			6,900 (3)	722,775.00 (4)					13,794	$ 1,390,981.48
$6 Preferred Stock	61,638.15 (5)	5,734,563.33	1,631.15 (2)	163,240.00						
			2,061.75 (3)	198,958.88 (6)						
			478.05 (7)	37,565.68					65,809.10	6,134,327.89
$7 Second Preferred Stock	1,764,497.75 (8)	175,052,728.00 (9)	11,159 (3)	1,143,241.50 (10)	25,856.25	2,585,625.00 (13)				
			356,723 (11)	35,673,287.13 (12)					2,158,236	214,454,881.63
Common Stock	113,002	7,659,011.59					768,493	2,377.70	881,495	7,661,389.29
Option Warrants	3,917,187	105,734.25	6,385 (3)	205,118.13 (14)	103,428	(13)	358,992	1.00		
			1,426,892 (11)	(12)					5,812,884	310,853.38
	Total	$189,166,952.65		$38,197,477.32		$2,585,625.00		$2,378.70		$229,952,433.67

Exhibit 28

Notations:

2566

Investments in above classes of securities, on books of Bond a Share, immediately prior to March 13, 1929, date of consoli tion of the old Electric Bond and Share Company with Elect Bond and Share Securities Corporation (pursuant to Secti 86 of the New York Stock Corporation Law) to form t present company, was $93,356,124.11. These securities we recorded on books of present company at $493,265,954.50, (re resenting approximately 75% of the then current mark value of such securities) an appreciation of $399,909,830. over the amount carried on books of predecessor company. December 31, 1931, the ledger value of above classes of secu ties was depreciated $399,909,830.39.

2567

(1) 9,304 shares purchased for cash, less 2,910 shares sold for cash.

(2) Acquired in connection with merger of Ebasco Corporation a Bond and Share, March 20, 1929 at the same ledger value.

(3) Acquired in accordance with Plan and Agreement of Reorgani tion between Electric Investors Inc., and Bond and Share, dat September 23, 1929.

(4) Represents valuation recorded on books of Bond and Share. T aluation was $59,365.60 in excess of ledger value on boo of Electric Investors Inc.

2568

(5) 67,264.55 shares purchased for cash, less 5,626.40 shares sold f cash and exchanged for other securities which were sold f cash.

Page Tightly Bound

(6) Represents valuation recorded on books of Bond and Share. This valuation was $54,840.59 in excess of ledger value on books of Electric Investors Inc. 2569

(7) Acquired in exchange for securities of Mexican Utilities Company. No change in ledger value.

(8) Includes 1,763,504 shares purchased from American & Foreign Power Company Inc., under offers to subscribe to units of Second Preferred Stock and Option Warrants.

(9) Includes ledger value of 3,906,086.80 Option Warrants purchased in units with Second Preferred Stock.

(10) Represents valuation recorded on books of Bond and Share. This valuation was $116,322.61 in excess of ledger value on books of Electric Investors Inc. 2570

(11) Acquired in connection with transfer to American & Foreign Power Company Inc. of securities and other assets, at cost to Bond and Share.

(12) Includes ledger value of 1,426,892 Option Warrants received with Second Preferred Stock described in Note 11.

(13) Includes ledger value of 103,428 Option Warrants received with Second Preferred Stock in settlement of dividends on Second Preferred Stock to October 1, 1927. 2571

(14) Represents valuation recorded on books of Bond and Share. This valuation was $110,157.98 in excess of ledger value on books of Electric Investors Inc.

Exhibit 29

2572 **EXCERPTS FROM CHARTER AND BY-LAW PROVISIONS OF BOND AND SHARE, EBASCO AND CERTAIN HOLDING COMPANY DEFENDANTS**

A. Purposes of Bond and Share

The purposes of Bond and Share as set out in its Certificate of Consolidation are as follows:

"To construct, equip, improve or work upon any and all kinds of roads, ways, tramways,
2573 railroads, railways (including street surface railways), hydraulic plants, electric plants, gas plants, and any and all other plants for the production, utilization and application of electricty or gas for any and all purposes, and to do a general contracting business;

To purchase, acquire, hold and dispose of stocks, bonds and other evidences of indebtedness of any corporation, domestic or foreign;

To acquire and deal in, license or otherwise dispose of patents and patent rights, trademarks or trade names;

2574 In aid of, or in connection with, the foregoing, or in the use, management, improvement or disposition of its property, and in addition to all other powers conferred by law, the corporation shall have power,

To purchase, lease or otherwise acquire, improve and develop, hold and use, let, sell or otherwise dispose of, real estate and rights and interest in or in respect to real estate.

To manufacture, sell, lease or otherwise deal

in, machinery, tools, implements, material, apparatus or supplies. 2575

To acquire, hold and dispose of, stocks and bonds and other evidences of indebtedness of any corporation, domestic or foreign, and issue in exchange therefor its stock."

* * * * *

"To acquire, buy, hold, own, sell, lease, exchange, dispose of, finance, deal in, construct, build, equip, improve, use, operate, maintain and work upon:

(a) Any and all kinds of plants and systems for the manufacture, storage, utilization, supply or disposition of electricity, gas, water or steam or power produced thereby or of ice and refrigeration of any and every kind; 2576

(b) Any and all kinds of telephone, telegraph and other systems, facilities and devices for the transmission of information, any and all kinds of interurban, city and street railways and railroads and bus lines for the transportation of passengers and/or freight, transmission lines, systems, appliances, equipment and devices, and tracks, stations, buildings, and other structures and facilities; 2577

(c) Any and all kinds of works, power plants, substations, systems, tracks, machinery, generators, motors, lamps, poles, apparatus, devices, supplies and articles of

2578 every kind pertaining to or in anywise connected with the construction, operation or maintenance of telephone, telegraph and other systems for the transmission of information, or of interurban, city and street railways and railroads and bus lines, or in anywise connected with the manufacture, purchase, use, distribution, regulation, control or application of electricity, gas, water, steam and power, or any other purposes.

2579 To acquire, buy, hold, own, sell, lease, exchange, dispose of, distribute, deal in, use, produce, furnish and supply electricity, gas, light, heat, ice, refrigeration, water, steam and power or any other power or force in any form and for any purposes whatsoever.

To acquire, organize, assemble, develop, build up and operate constructing and operating and other organizations and systems, and to hire, sell, lease, exchange, turn over, deliver and dispose of such organizations and systems in whole or in part and as going organizations and systems and otherwise, and to enter into

2580 and perform contracts, agreements, and undertakings of any kind in connection with any or all of the foregoing powers.

To do a general contracting business.

To purchase, acquire, hold, own and dispose of lands, interests in and rights with respect to lands and waters and fixed and movable property, franchises, concessions, consents, privileges and licenses necessary for and in its opinion useful or desirable for or in connection with the foregoing powers.

Exhibit 29

To underwrite, acquire by purchase, subscription or otherwise and to own, hold for investment or otherwise, and to use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of, real and personal property of every sort and description and wheresoever situated, including shares of stock, bonds, debentures, notes, scrip, securities, evidences of indebtedness, contracts or obligations of any corporation or corporations, association or associations, domestic or foreign, or any firm or individual, or of the United States, or any state, territory or dependency of the United States, or any foreign country or any municipality or local authority within or without the United States, and also to issue in exchange therefor stocks, bonds, or other securities or evidences of indebtedness of this corporation and while the owner or holder of any such property to receive, collect and dispose of the interest, dividends and income on or from such property, and to possess and exercise in respect thereto, all of the rights, powers and privileges of ownership, including all voting powers thereon. 2581 2582 2583

To aid in any manner any corporation or association, domestic or foreign, or any firm or individual, any shares of stock in which or any bonds, debentures, notes, securities, evidences of indebtedness, contracts or obligations of which are held by or for this corporation, directly or indirectly, or in which or in the welfare of which this corporation shall have any interest, and to do any acts designed to protect, preserve, improve or enhance the value

of any property at any time held, or controlled
2584 by this corporation, or in which it may be at any time interested, directly or indirectly or through other corporations or otherwise, and to promote or facilitate the organization and financing of subsidiary companies.

To borrow money, to issue bonds, promissory notes, bills of exchange, debentures and other obligations and evidences of indebtedness, whether secured by mortgage, pledge or otherwise, or unsecured, for money borrowed or in payment for property purchased or acquired or for any other lawful object; to
2585 mortgage or pledge all or any part of its properties, rights, interests and franchises, including any or all shares of stock, bonds, debentures, notes, scrip or other obligations or evidences of indebtedness at any time owned by it.

To guarantee the payment of dividends upon any capital stock and to endorse or otherwise guarantee the principal or interest or both on any bonds, debentures, notes, scrip or other obligations or evidences of indebtedness, or the
2586 performance of any contract or obligation, of any other corporation or association, domestic or foreign, or of any firm or individual, in which this corporation may have a lawful interest, in so far and to the extent that such guaranty may be permitted by law.

To purchase or otherwise acquire its own shares of stock (so far as may be permitted by law) and its bonds, debentures, notes, scrip or other securities or evidences of indebtedness and to hold, sell, transfer or reissue the same.

Exhibit 29

To do any or all things herein set forth to the same extent and as fully as natural persons might or could do, and in any part of the world, and as principal, agent, contractor or otherwise, and either alone or in conjunction with any other persons, firms, associations or corporations. 2587

To conduct its business in all its branches in the State of New York (except as hereinafter provided), other States, the District of Columbia, the territories and colonies of the United States, and in foreign countries, and to have one or more offices out of the State of New York, and to hold, purchase, mortgage and convey real and personal property both within and without the State of New York. 2588

To do all and everything necessary and proper for the accomplishment of the objects herein enumerated or necessary or incidental to the protection and benefit of the corporation, and in general to carry on any lawful business necessary to the attainment of the purposes of this corporation, whether such business is similar in nature to the objects and powers hereinabove set forth, or otherwise; but nothing herein contained is to be construed as authorizing this corporation to carry on the business of discounting bills, notes or other evidences of debt, of receiving deposits, of buying and selling bills of exchange or of issuing bills, notes or other evidences of debt for circulation as money, or of engaging in any other form of banking or in any business 2589

for which a corporation may be formed under
2590 the Banking Law of the State of New York; and nothing herein contained shall authorize this corporation to do in the State of New York any business for which a corporation may be formed under or pursuant to the Insurance Law, the Railroad Law or the Transportation Corporations' Law of the State of New York, but any such business may be conducted and carried on by this corporation only in states and jurisdictions other than the State of New York and only in such other states and
2591 jurisdictions when and where permissible under the laws thereof.

Nothing hereinabove stated shall be construed to give this corporation any rights, powers or privileges not permitted by the laws of the State of New York to corporations organized under the Statutes of the State of New York.

The foregoing clauses shall be construed as objects, purposes and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit
2592 or restrict in any manner the powers of this corporation."

B. Stockholders' Rights

The Certificate of Consolidation of Bond and Share also provides:

"(i) No holder of any stock of the corporation shall be entitled as of right to purchase or subscribe for any part of any stock of the

corporation authorized by this certificate of consolidation or of any additional stock of any class to be issued by reason of any increase of the authorized capital stock of the corporation, or of any bonds, certificates of indebtedness, debentures or other securities convertible into stock of the corporation, but any stock authorized by this certificate of consolidation or any such additional authorized issue of new stock or of securities convertible into stock, may be issued and disposed of by the Board of Directors to such persons, firms, corporations or associations for such consideration and upon such terms and in such manner as the Board of Directors may in their discretion determine, without offering any thereof on the same terms or on any terms to the stockholders then of record or to any class of stockholders."[1] 2593 2594

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[1]A substantially identical section is incorporated in the agreement of consolidation and merger, November 1925, of the National Company, and in Section 6 of the By-Laws of the Electric Company. The agreement of consolidation and merger of the United Company of August 1930, contains provisions similar in substance. On this subject the By-Laws of the American Company provide: 2595

As Amended October 1, 1929.

"Section 6. Certificates of stock shall be of such form and device as the Board of Directors may elect, except that each and every cer-

Exhibit 29

C. Liability of Directors

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The Certificate of Consolidation of Bond and Share further provides:

"(c) A director of the corporation shall not be disqualified by his office from dealing or contracting with this corporation either as a vendor, purchaser or otherwise, nor shall any transaction or contract of the corporation be void or voidable by reason of the fact that any director or any firm of which any director is a member or any corporation of which any
2597 director is a shareholder or director, is in any way interested in such transaction or contract, provided that such transaction or contract is or shall be authorized, ratified or approved either (1) by a vote of a majority of a quorum of the Board of Directors or of the Executive Committee without counting in such majority or quorum any director so interested or member of a firm so interested or a shareholder or direc-

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tificate of stock shall have printed plainly upon
2598 its face the following statement:

'The holder of this certificate of stock hereby waives the right upon any and all increases of the stock of the corporation to subscribe for his pro rata share of such increase, and by the acceptance of this certificate agrees that the board of directors may dispose of any increase of stock upon such terms and conditions as such board shall deem advisable.'"

tor of a corporation so interested, or (2) by vote at any stockholders' meeting of the holders of record of a majority of all the outstanding shares of stock of the corporation or by writing or writings signed by a majority of such holders; nor shall any director be liable to account to the corporation for any profits realized by and from or through any such transaction, or contract of the corporation authorized, ratified or approved as aforesaid by reason of the fact that he or any firm of which he is a member or any corporation of which he is a shareholder or director, was interested in such transaction or contract. Nothing herein contained shall create any liability in the events above described or prevent the authorization, ratification or approval of such contracts in any other lawful manner." [2]

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D. Executive Committee

The By-Laws of Bond and Share provide:

"Section 9. The Board of Directors, as soon as may be after their election in each year, may

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[2] The agreement of consolidation and merger of National Company of November 1925, the agreement of consolidation and merger of United Company of August 1930 and Section 16 of the By-Laws of Electric Company contain substantially identical provisions. Section 13 of the By-Laws of American Company contains provisions similar in substance.

appoint an Executive Committee to consist of
2602 the Chairman of the Board, the President, and such additional number of directors as the Board may from time to time determine. Subject to such limitations as may be provided by resolution of the Board, such Committee shall have and may exercise all of the powers of the Board during the intervals between its meetings, which may be lawfully delegated, including the purchase of property and the execution of legal instruments with or without the corporate seal in such manner as such Committee shall deem to be best for the interests
2603 of the corporation, in all cases in which specific directions shall not have been given by the Board. The Board shall have the power at any time to change the membership of such Committee and to fill vacancies in it. The Executive Committee may make rules for the conduct of its business and may appoint such Committees and assistants as it may deem necessary. The Board may from time to time determine by resolution the number of members of such Committee required to constitute a quorum.

2604 Amended 11/13/35

The Chairman of the Board shall be Chairman of the Executive Committee. During the intervals between the meetings of the Executive Committee, the Chairman of said Committee shall possess and may exercise such of the powers vested in the Executive Committee as from time to time may be conferred upon him

by resolution of the Board of Directors or the Executive Committee."[3] 2605

E. Purposes of Ebasco

The purposes of Ebasco Services, Inc. as set out in its Certificate of Incorporation are:

"(1) To furnish to any corporation, association, partnership, combination, organization, entity or individual, domestic or foreign, any managerial, supervision, construction, purchasing, marketing, auditing, accounting, secretarial statistical, advertising, publicity, tax, 2606
research or any other service, information or data; to buy, lease or otherwise acquire and to sell, lease, furnish or otherwise dispose of any goods, equipment, materials, supplies or appliances; to construct, extend, improve, maintain or repair the facilities, or any part thereof, of any corporation, association, partnership, combination, organization, entity or individual, domestic or foreign, or to super-

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[3]Section 11 of the By-Laws of Electric Company and Section 10 of the By-Laws of American Company contain substantially similar provisions. Section 15 of the By-Laws of National Company, and Section 17 of the By-Laws of the United Company contain substantially similar provisions except that, in place of the last paragraph, it is provided that the President of the National Company and of the United Company respectively shall be Chairman of the Executive Committee.

vise any and all such acts; to operate, manage,
2608 supervise, direct or control all or any part of the business and property of any corporation, association, partnership, combination, organization, entity or individual, domestic or foreign, through stock ownership, by contract or otherwise; to promote or assist, in any way, in the business of any corporation, association, partnership, combination, organization, entity or individual, domestic or foreign; to receive fixed or contingent compensation for any of the foregoing or to re-
2609 ceive compensation therefor by commissions, management fees, shares in gross or net receipts or profits, or in any other manner, or upon any other terms whatsoever, or so to act without direct compensation.

"(2) To act in any and all parts of the world in any capacity whatsoever as agent or representative, general or special, for domestic and foreign corporations, associations, partnerships, combinations, organizations, entities, individuals, states, governments and other pub-
2610 lic or private bodies.

"(3) To acquire, organize, assemble, develop, build up and operate constructing and operating and other organizations and systems, and to hire, sell, lease, exchange, turn over, deliver and dispose of such organizations and systems in whole or in part and as going organizations and systems and otherwise, and to enter into and perform contracts,

agreements and undertakings of any kind in connection with any or all of the foregoing powers. 2611

"(4) To do a general contracting business.

"(5) To buy, lease or otherwise acquire lands and interests in lands of every kind and description and wheresoever situated; to buy, lease or otherwise acquire, and to construct and erect; buildings and structures in and on any lands, for any use or purposes; to hold, improve, develop, maintain, operate, administer, let, lease, mortgage, sell or otherwise dispose of such property or any thereof or any property of such general character; to equip, operate and/or manage any and all buildings and structures whatsoever and any part thereof. 2612

"(6) To underwrite, acquire by purchase, subscription or otherwise and to own, hold for investment or otherwise, and to use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of, real and personal property of every sort and description and wheresoever situated, including shares of stock, bonds, debentures, notes, scrip, warrants, securities, evidences of indebtedness, contracts or obligations of any corporation or corporations, association or associations, domestic or foreign, or of any firm or individual, or of the United States, or any state, territory or dependency of the United States, or any foreign country 2613

or any municipality or local authority within
2614 or without the United States, and also to issue in exchange therefor stocks, bonds, or other securities or evidences of indebtedness of this corporation and while the owner or holder of any such property to receive, collect and dispose of the interest, dividends and income on or from such property, and to possess and exercise in respect thereto, all of the rights, powers and privileges of ownership, including all voting powers thereon.

2615 "(7) To aid in any manner permitted by law any corporation or association, domestic or foreign, or any firm or individual, any shares of stock in which or any bonds, debentures, notes, securities, evidences of indebtedness, contracts or obligations of which are held by or for this corporation, directly or indirectly, or in which or in the welfare of which this corporation shall have any interest, and to do any acts designed to protect, preserve, improve or enhance the value of any property at any time held, or controlled by this corporation,
2616 or in which it may be at any time interested, directly or indirectly or through other corporations or otherwise, and to promote or facilitate the organization and financing of subsidiary companies.

"(8) To borrow money, to issue bonds, promissory notes, bills of exchange, debentures and other obligations and evidences of indebtedness, whether secured by mortgage,

pledge or otherwise, or unsecured, for money borrowed or in payment for property purchased or acquired or for any lawful object; to mortgage or pledge all or any part of its properties, rights, interests and franchises, including any or all shares of stock, bonds, debentures, notes, scrip or other obligations or evidences of indebtedness at any time owned by it. 2617

"(9) To guarantee the payment of dividends upon any capital stock and to endorse or otherwise guarantee the principal or interest or both on any bonds, debentures, notes, scrip or other obligations or evidences of indebtedness, or the performance of any contract or obligation, of any other corporation or association, domestic or foreign, or of any firm or individual, in which this corporation may have a lawful interest, in so far and to the extent that such guaranty may be permitted by law. 2618

"(10) To purchase or otherwise acquire its own shares of stock (so far as may be permitted by law) and its bonds, debentures, notes, scrip or other securities or evidences of indebtedness and to cancel or to hold, sell, transfer or reissue the same. 2619

"(11) To do any or all things herein set forth to the same extent and as fully as natural persons might or could do, and in any part of the world, and as principal, agent, contrac-

tor or otherwise, and either alone or in con-
2620 junction with any other persons, firms, associations or corporations.

"(12) To conduct its business in all or any of its branches, so far as permitted by law, in the State of New York, in other states of the United States of America, in the District of Columbia, in any of the territories, districts, protectorates, dependencies or insular or other possessions thereof, or in any foreign countries, and to acquire, hold and dispose of such
2621 property therein, real, personal and mixed, as may be requisite for the transaction of its business or the conduct of its affairs.

"(13) To do all and everything necessary and proper for the accomplishment of the objects herein enumerated or necessary or incidental to the protection and benefit of the corporation; but nothing hereinabove stated shall be construed to give this corporation any rights, powers or privileges not permitted by the laws of the State of New York
2622 to corporations organized under the Stock Corporation Law of the State of New York.

"(14) The foregoing clauses shall be construed as objects, purposes and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation."

Exhibit 29

F. Purposes of National Company

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The purposes of National Company which are set out in its agreement of merger and consolidation, November 1925, and which for the purpose of this stipulation may be taken to be typical also of American Company and Electric Company are:

"To acquire, buy, hold, own, sell, lease, exchange, dispose of, finance, deal in, construct, build, equip, improve, use, operate and work upon any and all kinds of plants and systems for the manufacture, storage, utilization, supply or disposition of electricity, gas, water or stream or power produced thereby, and to do a general contracting business;

2624

To acquire, buy, hold, own, sell, lease, exchange, dispose of, finance, deal in, construct, build, equip, improve, use, operate and work upon any and all kinds of interurban, city, street and other railroads, railways, transportation systems, transmission and telephone lines, plants and systems, cars, carriages, locomotives, engines, appliances, equipment and devices, and tracks, stations, buildings and other structures and facilities, and to purchase or otherwise acquire, hold, own and dispose of, lands, easements, rights of way, franchises, consents, privileges and licenses; to acquire, organize, assemble, develop, build up and operate constructing and operating and other organizations and systems, and to hire, sell, lease, exchange, turn over, deliver and dispose of such organizations and systems in

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whole or in part and as going organizations and
2626 systems or otherwise, and to enter into and perform contracts, agreements and undertakings of any kind in connection with any or all of the foregoing;

To acquire, buy, hold, own, sell, lease, exchange, dispose of, finance, deal in, construct, build, equip, improve, operate, use and work upon any and all kinds of power plants, substations, systems, tracks, machinery, generators, motors, lamps, apparatus, devices, supplies and articles of every kind pertaining to
2627 or in anywise connected with the construction, operation or maintenance of interurban and city railroads, railways or transportation systems or in anywise connected with the construction, use, distribution, regulation, control or application of electricity, gas, water, steam and power, and apparatus for water, light, heat, power, telegraph, telephone, or any other purposes; to acquire, buy, hold, own, sell, lease, exchange, dispose of, finance, deal in, construct, build, equip, improve, use and operate any works, construction or plants or
2628 parts thereof in connection with or involving any of the foregoing, and to acquire, buy, hold, own, sell, lease, exchange, dispose of, deal in, use, produce, furnish and supply electricity, gas, water, steam, and power or any other power or force in any form and for any purpose whatsoever;

To acquire by purchase, subscription or otherwise and to own, hold for investment or otherwise, and to use, sell, assign, transfer,

mortgage, pledge, exchange or otherwise dispose of, real and personal property of every 2629
sort and description and wheresoever situated, including shares of stock, bonds, debentures, notes, scrip, securities, evidences of indebtedness, contracts, or obligations of any corporation or corporations, association or associations, domestic or foreign, or any firm or individual, of the United States, or any state, territory or dependency of the United States or any foreign country, or any municipality or local authority within or without the United States, and also to issue in exchange therefor 2630
stocks, bonds, or other securities or evidences of indebtedness of the New Corporation and while the owner or holder of any such property, to receive, collect and dispose of the interest, dividends and income on or from such property, and to possess and exercise in respect thereto all of the rights, powers and privileges of ownership, including all voting powers thereon;

To aid in any manner any corporation or association, domestic or foreign, or any firm or individual, any shares of stock in which or any 2631
bonds, debentures, notes, securities, evidences of indebtedness, contracts or obligations of which are held by or for the New Corporation or in which or in the welfare of which the New Corporation shall have any interest, and to do any acts designed to protect, preserve, improve or enhance the value of any property at any time held or controlled by the New Corporation, or in which it may be at any

time interested; and to organize or promote
2632 or facilitate the organization of subsidiary companies.

IN FURTHERANCE AND NOT IN LIMITATION of the general powers conferred by the laws of the State of New Jersey, and of the objects and purposes hereinbefore stated, it is hereby expressly provided that the New Corporation shall also have the following powers, that is to say:

To do any or all things herein set forth, to the same extent and as fully as natural persons might or could do, and in any part of
2633 the world, and as principal, agent, contractor, or otherwise, and either alone or in conjunction with any other persons, firms, associations or corporations.

To conduct its business in all its branches in the State of New Jersey, other States, the District of Columbia, the territories and colonies of the United States, and in foreign countries, and to have one or more offices out of the State of New Jersey, and to hold, purchase, mortgage and convey real and personal prop-
2634 erty both within and without the State of New Jersey.

To borrow money, to issue bonds, promissory notes, bills of exchange, debentures and other obligations and evidences of indebtedness, whether secured by mortgage, pledge or otherwise, or unsecured, for money borrowed or in payment for property purchased or acquired, or for any other lawful object; to mortgage or pledge all or any part of its prop-

erties, rights, interests and franchises, including any or all shares of stock, bonds, debentures, notes, scrip or other obligations or evidences of indebtedness at any time owned by it. 2635

To guarantee the payment of dividends upon any capital stock and to endorse or otherwise guarantee the principal or interest or both on any bonds, debentures, notes, scrip or other obligations or evidences of indebtedness, or the performance of any contract or obligations, of any other corporation or association, domestic or foreign, or any firm or individual, in which the New Corporation may have a lawful interest, in so far and to the extent that such guaranty may be permitted by law. 2636

To purchase or otherwise acquire its own shares of stock (so far as may be permitted by law) and its bonds, debentures, notes, scrip or other securities or evidences of indebtedness and to hold, sell, transfer or release the same.

To do all and everything necessary and proper for the accomplishments of the objects herein enumerated or necessary or incidental to the protection and benefit of the New Corporation, and in general to carry on any lawful business necessary or incidental to the attainment of the purposes of the New Corporation, whether such business is similar in nature to the objects and powers hereinabove set forth, or otherwise; but nothing herein contained is to be construed as authorizing the New Corporation to carry on the business 2637

2638 of discounting bills, notes or other evidences of debt, of receiving deposits of money, or foreign coins, or buying and selling bills of exchange, or of issuing bills, notes or other evidences of debt for circulation as money.

Nothing hereinabove stated shall be construed to give the New Corporation any rights, powers or privileges not permitted by the laws of the State of New Jersey to corporations organized under the statutes of the State of New Jersey.

2639 The foregoing clauses shall be construed as objects, purposes and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of the New Corporation."

G. Purposes of American Gas.

The purposes of American Gas as set out in its certificate of consolidation February, 1935, are as follows:

2640 "The undersigned, AMERICAN GAS AND ELECTRIC COMPANY and APPALACHIAN SECURITIES CORPORATION, corporations organized under the laws of the State of New York for the purpose of carrying on a kind or kinds of business which corporations organized under Article Two of the Stock Corporation Law of the State of New York may carry on, do hereby certify, under and by the signature and acknowledgment of their respec-

tive Presidents and Secretaries thereunto duly authorized by the vote of the holders of record of more than two-thirds of the outstanding shares of stock of each of said corporations, as follows:" 2641

H. Stockholders' Rights—American Gas.

The Certificate of Consolidation of American Gas also provides:

"No holder of any stock of this corporation shall be entitled as of right to purchase or subscribe for any part of any unissued stock of this 2642
corporation or of any additional stock of any class to be issued by reason of any increase of the authorized capital stock of this corporation or of any bonds, certificates of indebtedness, debentures or other securities convertible into stock of this corporation, but any such unissued stock or any such additional authorized issue of new stock or of securities convertible into stock may be issued and disposed of by the Board of Directors to such persons, firms, corporations or associations and upon such terms as the Board of Directors may in their discre- 2643
tion determine, without offering any thereof, on the same terms or on any terms, to the stockholders then of record or to any class of stockholders."

I. Liability of Directors—American Gas.

The Certificate of Consolidation of American Gas also provides:

Exhibit 29

"(c) A director of this corporation shall
2644 not be disqualified by his office from dealing or contracting with this corporation either as a vendor, purchaser or otherwise, nor shall any transaction or contract of this corporation be void or voidable by reason of the fact that any director or any firm of which any director is a member or any corporation of which any director is a shareholder or director, is in any way interested in such transaction or contract, provided that such transaction or contract is or shall be authorized, ratified or
2645 approved either (1) by a vote of a majority of a quorum of the Board of Directors or of the Executive Committee without counting in such majority or quorum any director so interested or member of a firm so interested or a shareholder or director of a corporation so interested, or (2) by vote at any stockholders' meeting of the holders of record of a majority of all the outstanding shares of stock of this corporation or by writing or writings signed by a majority of such holders; nor shall any director be liable to account to this corpora-
2646 tion for any profits realized by him from or through any such transaction, or contract of this corporation authorized, ratified or approved as aforesaid by reason of the fact that he or any firm of which he is a member or any corporation of which he is a shareholder or director, was interested in such transaction or contract. Nothing herein contained shall create any liability in the events above described or prevent the authorization, ratification or approval of such contracts in any other

manner provided by law. The Board of Directors shall have power to authorize the payment 2647
of compensation to the directors for services to the corporation including fees for attendance at meetings of the Board of Directors and other meetings, and to determine the amounts of such compensation or fees."

J. Executive Committee—American Gas.

Section ten of the By-Laws of American Gas provides:

"Section 10. The Board of Directors, as soon as may be after the election in each year shall 2648
appoint an Executive Committee, to consist of the Chairman of the Board, the President and such number of Directors as the Board may from time to time determine, which shall have and may exercise, during the intervals between the meetings of the Board, all the powers vested in the Board except the power to fill vacancies in the Board, the power to change the membership of or fill vacancies in said Committee, and the power to change the By-Laws. The Board shall have the power at any time to 2649
change the membership of such Committee and to fill vacancies in it. The Executive Committee may make rules for the conduct of its business, and may appoint such committees and assistants as it may deem necessary. A majority of the members of said Committee shall be a quorum. During the absence, or inability of the Chairman of the Board to act, the Chairman of the Executive Committee shall have all the power and perform the duties of the Chairman of the Board."

Exhibit 30 (continued)

2650

SECURITIES TRADED IN DURING
CALENDAR YEAR 1935

2651

BOND AND SHARE

AMERICAN GAS AND SUBSIDIARIES

(opposite page)

2652

Exhibit 30

SECURITIES TRADED IN DURING CALENDAR YEAR 1935 [1]

BOND AND SHARE

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Bond and Share						
$6 Preferred	301,500	N.Y.C.U.	78½ Dec. 31	37½ Jan. 5	78½ Dec. 31	26.1
$5 Preferred	88,400	N.Y.C.U.	69 Aug. 14	34 Jan. 7	67½ Dec. 31	29.5
Common Stock	5,065,900	N.Y.C.U.	20⅜ Aug. 17	3½ Mar. 13	16⅛ Dec. 31	96.2

AMERICAN GAS AND SUBSIDIARIES

American Gas						
Debenture 5's due 2028	11,467,000	N.Y.C.U.	107 Oct. 16	89¼ Jan. 2	106¾ Dec. 31	22.9
$6 Preferred	48,750	N.Y.C.U.	111½ Nov. 18	80½ Feb. 7	109½ Dec. 31	13.7
Common Stock	865,900	N.Y.C.U.	42½ Nov. 8	16⅝ Feb. 20	37¼ Dec. 31	19.3
Appalachian Electric Power Company						
Appalachian Power Company 1st S. F. 5's due 1941	205,000	N.Y.C.U.	109 Mar. 18	105½ Feb. 9	108 Dec. 28	2.1
Appalachian Electric Power Company 1st & Ref. 5's due 1956	5,908,000	N.Y.C.U.	106½ Dec. 9	101 Jan. 2	106½ Dec. 31	9.4

[1] Information derived from Commercial and Financial Chronicle, Jan. 10, 1936. All stocks are stated in shares, bonds and debentures in principal amount. The stock exchange are abbreviated as follows:

New York Stock Exchange — N.Y.S.E.
New York Curb Exchange, unlisted — N.Y.C.U.
New Orleans Stock Exchange—N.O.S.E.
Chicago Stock Exchange — C.S.E.
Boston Stock Exchange — B.S.E.
Philadelphia Stock Exchange — Phila. S.E.
Baltimore Stock Exchange — Balto. S.E.

Exhibit 30 (continued)

2656

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

AMERICAN GAS AND SUBSIDIARIES—*Continued*

2657

(opposite page)

2658

Exhibit 30

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Appalachian Electric Power Company —Continued						
6% Debentures Series "A" due 2024 Appalachian Power Company	917,000	N.Y.C.U.	113¾ Dec. 2	84½ Jan. 17	113⅛ Dec. 31	22.9
Appalachian Electric Power Company $7 Preferred	5,740	N.Y.C.U.	106⅞ Nov. 18	71 Jan. 21	105⅞ Dec. 31	2.1
Indiana General Service Company						
Indiana General Service Company 1st 5's due 1948	22,000	N.Y.C.U.	107¾ Mar. 29	106¼ Oct. 22	106⅝ Dec. 16	0.56
Indiana & Michigan Electric Company						
Indiana & Michigan Electric Company 1st 5's due 1957	205,000	N.Y.C.U.	112 July 19	107½ Jan. 9	109¼ Dec. 23	3.4
Indiana & Michigan Electric Company 1st & Ref. 5's due 1955	549,000	N.Y.C.U.	106½ Sept. 12	99 Jan. 9	105⅛ Dec. 30	2.8
The Ohio Power Company						
The Ohio Power Company 1st Ref. 5's Series "B" due 1952	575,000	N.Y.C.U.	108½ Jan. 7	104¼ Nov. 16	105⅛ Dec. 30	4.2
Ohio Power Company 1st & Ref. 4½'s Series "D" due 1956	1,264,000	N.Y.C.U.	106½ May 6	103½ Oct. 15	105 Dec. 30	2.8
Ohio Power Company 6% Preferred	3,600	N.Y.C.U.	111¾ Oct. 30	85½ Jan. 15	111¾ Dec. 31	1.8
Wheeling Electric Company						
Wheeling Electric Company 1st 5's due 1941	45,000	N.Y.C.U.	108 May 1	106¼ Mar. 22	107 Dec. 30	1.5

Exhibit 30 (continued)

2662

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

2663 AMERICAN COMPANY AND SUBSIDIARIES

(opposite page)

2664

Exhibit 30

AMERICAN COMPANY AND SUBSIDIARIES

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
American Company						
Debenture 6's due 2016	18,747,000	N.Y.C.U.	96¾ Oct. 26	50¾ Jan. 5	92⅝ Dec. 31	43.2
Southwestern Power & Light Company Debenture 6's Series "A" due 2022	1,640,000	N.Y.C.U.	96½ Oct. 26	49 Jan. 3	91 Dec. 31	39.5
American Power & Light Company $6 Preferred	628,000	N.Y.S.E.	49½ Aug. 12	10⅛ Mar. 13	45⅜ Dec. 31	79.1
$5 Preferred	632,600	N.Y.S.E.	41½ Aug. 12	8⅜ Mar. 13	38¾ Dec. 31	64.7
Common Stock	1,469,900	N.Y.S.E.	9⅝ Nov. 8	1½ Mar. 13	8¾ Dec. 31	48.8
Central Arizona Light and Power Company						
1st 5's due 1960	1,930,000	N.Y.C.U.	106 Dec. 4	89 Jan. 2	105½ Dec. 31	25.8
Florida Power & Light Company						
1st. 5's due 1954	12,985,000	N.Y.C.U.	93¼ Dec. 31	68¾ Jan. 4	93¼ Dec. 31	25.0
$7 Preferred	39,400	N.Y.C.U.	61 Nov. 2	10½ Mar. 21	52½ Dec. 27	24.6
Kansas Gas and Electric Company						
1st 4½'s due 1980	1,747,000	N.Y.S.E.	105½ Sept. 28	100¼ Jan. 2	105 Dec. 31	10.9
Debenture 6's due 2022	773,000	N.Y.C.U.	115¾ Aug. 20	90 Jan. 3	115½ Dec. 31	25.8
7% Preferred	132	N.Y.C.U.	110 Nov. 15	83½ Mar. 15	110 Nov. 21	0.2
Minnesota Power & Light Company						
Great Northern Power Co. 1st 5's due 1950	208,000	N.Y.C.U.	108¼ Aug. 7	102½ Feb. 4	106½ Dec. 10	3.3

Exhibit 30 (continued)

2668

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

2669

AMERICAN COMPANY AND SUBSIDIARIES—Continued

(opposite page)

2670

Exhibit 30

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Minnesota Power & Light Co.						
1st & Ref. 5's due 1955	2,127,000	N.Y.C.U.	104¼ Dec. 31	88½ Jan. 3	104 Dec. 31	19.9
1st & Ref. 4½'s due 1978	3,801,000	N.Y.C.U.	98⅞ Dec. 27	79¾ Jan. 3	98⅛ Dec. 31	21.1
7% Preferred	30	N.Y.C.U.	88½ Nov. 26	88½ Nov. 26	88½ Nov. 26	0.04
The Montana Power Company						
Butte Electric and Power Company						
1st 5's due 1951	No sales	B.S.E.	—	—	—	—
The Montana Power Company						
1st & Ref. 5's due 1943	2,936,000	N.Y.S.E.	108 Nov. 16	93½ Jan. 2	108 Dec. 31	10.6
The Montana Power Company						
Debenture 5's Series "A" due 1962	2,270,000	N.Y.S.E.	100 Oct. 15	67 Jan. 3	97¾ Dec. 31	18.2
Nebraska Power Company						
1st 4½'s due 1981	639,000	N.Y.C.U.	111 May 7	107¼ Jan. 3	110 Dec. 19	3.9
6% Debentures Series "A" due 2022	640,000	N.Y.C.U.	118¼ Nov. 23	101¾ Jan. 7	117 Dec. 17	18.3
7% Preferred	30	N.Y.C.U.	113¼ Nov. 15	113 Nov. 14	113¼ Nov. 15	0.06
Northwestern Electric Company						
1st 6's due 1935	* 1,801,000	N.Y.C.U.	100½ Sept. 26	74¼ Jan. 5	100½ Sept. 26	28.0
Cert. of Deposit for 1st 6's due 1935	* 185,000	N.Y.C.U.	100¼ Aug. 13	90 June 20	100 Sept. 6	2.9
1st 6's due 1935 (Plan for extension to 1945)	347,000	N.Y.C.U.	103¼ Oct. 17	97 Sept. 16	101 Dec. 31	5.4

* Represents trading from Jan. 2, 1935 to Sept. 26, 1935 on the 6's due 1935; from June 1, 1935 to Sept. 6, 1935 on the Cert. of Deposit and from Sept. 1, 1935 to Dec. 31, 1935 on 6's stamped 1945.

Exhibit 30 (continued)

2674

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

2675

AMERICAN COMPANY AND SUBSIDIARIES—*Continued*

(opposite page)

2676

Exhibit 30

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Pacific Power & Light Company						
1st & Prior Lien 5's due 1955	7,075,000	N.Y.C.U.	87 Nov. 20	57⅞ Jan. 3	85 Dec. 31	34.5
1st & Prior Lien 5's due 1955	No sales	B.S.E.	—	—	—	—
7% Preferred	50	N.Y.C.U.	76 Nov. 21	70 Oct. 2	75 Dec. 11	0.09
Portland Gas & Coke Company						
1st 5's due 1940	1,843,000	N.Y.C.U.	88½ July 19	67½ Feb. 28	80 Dec. 31	27.6
Texas Electric Service Company						
1st 5's due 1960	7,161,000	N.Y.C.U.	101⅛ Dec. 5	85¾ Jan. 3	99⅞ Dec. 31	21.2
" " "	No sales	B.S.E.	—	—	—	—
Texas Power & Light Company						
1st 5's due 1937	* 1,399,000	N.Y.C.U.	106⅜ Aug. 7	103⅜ Jan. 2	105 Nov. 22	9.3
1st 5's due 1937	Not available	N.O.S.E.	—	—	—	—
1st & Ref. 5's due 1956	5,720,000	N.Y.C.U.	105¼ Dec. 27	94⅝ Jan. 2	105⅛ Dec. 31	20.1
" " "	No sales	B.S.E.	—	—	—	—
Debenture 6's Series "A" due 2022	462,000	N.Y.C.U.	104 Dec. 21	83½ Jan. 4	104 Dec. 26	23.1
7% Preferred	805	N.Y.C.U.	104 Nov. 20	75 Feb. 7	104 Nov. 27	1.2
The Washington Water Power Company						
1st Ref. 5's due 1939	245,00	N.Y.S.E.	112 Aug. 12	105 Jan. 3	110½ Dec. 26	5.6
1st & Genl. 5's due 1960	1,434,000	N.Y.C.U.	106¾ Oct. 31	96½ Jan. 4	105½ Dec. 30	9.0

* Represents trading from Jan. 2, 1935, to Nov. 30, 1935. These bonds called for redemption on Dec. 1, 1935.

Exhibit 30 (continued)

2680

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

ELECTRIC COMPANY AND SUBSIDIARIES

2681

(opposite page)

2682

Exhibit 30

ELECTRIC COMPANY AND SUBSIDIARIES

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Electric Company						
5% Debentures, due 2030	19,042,000	N.Y.C.U.	76 Nov. 8	33⅛ Feb. 7	74⅜ Dec. 31	61.4
$7 Preferred Stock	670,100	N.Y.S.E.	34⅝ Dec. 31	3 Mar. 13	33⅝ Dec. 31	130.1
$6 Preferred Stock	341,300	N.Y.S.E.	31¼ Dec. 31	2½ Mar. 13	30¼ Dec. 31	133.6
$7 Second Preferred Stock	12,150	N.Y.C.U.	20 Aug. 15	2¾ Feb. 28	19 Dec. 31	14.6
Option Warrants	30,000	N.Y.C.U.	2½ Aug. 13	½ Mar. 8	2 Dec. 26	5.3
Common Stock	998,300	N.Y.S.E.	7½ Aug. 17	1⅛ Mar. 15	6⅝ Dec. 31	29.2
Arkansas Power & Light Company						
Little Rock Railway & Electric Company 6's due 1938	Not avail.	N.O.S.E.	—	—	—	—
Arkansas Power & Light Company 1st & Ref. 5's, due 1956	6,575,000	N.Y.C.U.	98¾ Dec. 31	73¾ Jan. 3	98¾ Dec. 31	18.8
Arkansas Power & Light Company $7 Preferred	1,050	N.Y.C.U.	90¼ Dec. 24	41½ Jan. 30	90¼ Dec. 24	1.1
Dallas Power & Light Company						
1st 5's, Series "C", due 1952	133,000	N.Y.C.U.	107¼ Aug. 27	104¼ Feb. 7	106⅛ Dec. 17	3.0
1st 6's, Series "A", due 1949	399,000	N.Y.C.U.	110⅝ Mar. 22	106 Sept. 7	108½ Dec. 24	6.7
Louisiana Power & Light Company						
1st 5s, due 1957	5,198,000	N.Y.C.U.	105½ Dec. 21	88¼ Jan. 3	104⅝ Dec. 31	29.7

Exhibit 30 (continued)

2686

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

2687

ELECTRIC COMPANY AND SUBSIDIARIES—*Continued*

(opposite page)

2688

Exhibit 30

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Mississippi Power & Light Company						
1st 5s, due 1957	5,042,000	N.Y.C.U.	93¼ July 29	72 Jan. 17	92¼ Dec. 31	31.5
" " " "	No Sales	B.S.E.				
New Orleans Public Service Inc.						
Canal & Claiborne R. R. Company 1st 6s, due 1946	Not Avail.	N.O.S.E.	—			
New Orleans City & Lake R. R. Cons. & 1st 5s, due 1943	Not Avail.	N.O.S.E.	—			
New Orleans Power House Co. Ltd. 1st 5s, due 1943	Not Avail.	N.O.S.E.	—			
New Orleans City R. R. Gen 5s, due 1943	Not Avail.	N.O.S.E.	—			
St. Charles Street R. R. 1st 4s, due 1952	Not Avail.	N.O.S.E.	—			
New Orleans Public Service Inc. 1st & Ref. 5s, Series "A", due 1952	4,001,000	N.Y.S.E.	89½ Dec. 31	55½ Jan. 2	89½ Dec. 31	33.3
New Orleans Public Service Inc. 1st & Ref. 5s, Series "B", due 1955	4,399,000	N.Y.S.E.	88 Nov. 21	55⅝ Jan. 2	88 Dec. 31	24.5
New Orleans Public Service Inc. Gen. Lien 4½s 1935	4,454,000 *	N.Y.C.U.	88 May 3	47½ Jan. 9	74 Oct. 31	44.3
" " " C. of D.	244,000 *	N.Y.C.U.	68½ July 8	58 May 28	66 July 18	2.4
" " 5s stamped 1942	1,158,000 *	N.Y.C.U.	74½ Dec. 19	60 Aug. 27	74 Dec. 31	11.5
" " " " "	Not Avail.	N.O.S.E.				
New Orleans Public Service Inc. Income 6s, series "A" due 1949	1,912,000	N.Y.C.U.	74¼ Nov. 8	30¾ Jan. 2	69⅞ Dec. 31	41.3

* Represents trading from Jan. 2, 1935 to Oct. 31, 1935 on Gen. Lien 4½'s due 1935; from May 1, 1935 to July 18, 1935 on Cert. of Deposit and from July 1, 1935 to Dec. 31, 1935 on the Gen. Lien 5's stamped 1942.

Exhibit 30 (continued)

2692

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

ELECTRIC COMPANY AND SUBSIDIARIES—*Continued*

2693

(opposite page)

2694

Exhibit 30

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Power Company						
6% Coll. Trust Bonds American Series, due 1949	1,328,000	N.Y.C.U.	93 Nov. 8	76 Feb. 5	98 Dec. 23	29.4
Idaho Power Company						
1st 5s, due 1947	993,000	N.Y.C.U.	109 May 29	105 Nov. 1	107⅞ Dec. 26	7.6
United Company						
$7 Preferred	219,800	N.Y.C.U.	84 Sept. 27	35 Mar. 6	81 Dec. 31	48.9
Common Stock	1,447,075	N.Y.C.U.	4⅞ Sept. 6	⅞ Mar. 14	4¼ Dec. 31	18.5
" "	3,589	B.S.E.	4⅝ Sept. 10	1¾ June 21	4¼ Dec. 31	0.05
Warrants	201,400	N.Y.C.U.	15/16 Aug. 19	⅛ Mar. 11	⅝ Dec. 31	4.1
United Gas Public Service Company						
Palmer Corporation of Louisiana 1st S. F. 6's, due 1938	256,000	N.Y.C.U.	104½ June 24	102 Jan. 25	102⅝ Dec. 31	15.4
Dixie Gulf Gas Company 1st S. F. 6½'s Series "A", due 1937	1,272,000	N.Y.C.U.	103¾ May 15	101½ Aug. 13	101½ Dec. 27	43.9
United Gas Public Service Company $6 Preferred	No Sales	C.S.E.	—	—	—	
Houston Gulf Gas Company 1st & Coll 6's Series "A" due 1943	1,662,000	N.Y.C.U.	105 Nov. 8	93 Jan. 17	105 Dec. 30	39.2
Houston Gulf Gas Company S. F. Debenture 6½'s, due 1943	1,122,000	N.Y.C.U.	99½ June 21	79 Mar. 19	97 Dec. 30	60.6
Southern Gas Utilities, Inc. 1st S. F. 6½'s, Series "A", due 1939	No Sales	C.S.E.	—	—	—	

Exhibit 30 (continued)

2698

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

ELECTRIC COMPANY AND SUBSIDIARIES—*Continued*

2699

NATIONAL COMPANY AND SUBSIDIARIES

(opposite page)

2700

Exhibit 30

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Utah Power & Light Company						
1st 5's, due 1944	4,861,000	N.Y.S.E.	98¼ Dec. 11	69⅞ Jan. 2	98 Dec. 31	16.1
1st Lien & Gen'l. 4½'s, due 1944	420,000	N.Y.C.U.	95½-Dec. 19	62-Jan. 7	95⅜-Dec. 27	8.05
Debenture 6's Series "A", due 2022	1,174,000	N.Y.C.U.	92⅞-Dec. 18	55-Jan. 5	91¼-Dec. 31	23.5
$7 Preferred	23,100	N.Y.C.U.	52¼-Nov. 8	16-Jan. 8	45 -Dec. 31	11.1
Utah Light and Traction Company 1st & Ref. 5's, Series "A", due 1944	3,406,000	N.Y.S.E.	96⅞ Dec. 30	65 Jan. 2	96¾ Dec. 31	27.4
NATIONAL COMPANY AND SUBSIDIARIES						
National Company						
Debenture 6's Series "A" due 2026	3,607,000	N.Y.C.U.	101 Dec. 10	71¾ Jan. 15	98½ Dec. 31	38.1
Debenture 5's Series "B" due 2030	6,553,000	N.Y.C.U.	90½ Dec. 4	61¼ Jan. 15	87½ Dec. 31	43.7
$6 Preferred	83,560	N.Y.C.U.	84⅜ Aug. 15	46⅝ Feb. 26	77¾ Dec. 31	29.9
Common Stock	1,285,600	N.Y.S.E	14⅜ Aug. 17	4⅞ Mar. 15	10¼ Dec. 31	23.6
Birmingham Electric Company						
First & Ref. 4½'s due 1968	3,833,000	N.Y.C.U.	91⅞ Aug. 19	69¼ Jan. 12	90¼ Dec. 31	31.4
Carolina Power & Light Company						
Yadkin River Power Company 1st 5's due 1941	675,000	N.Y.C.U.	107 Oct. 5	95¼ Jan. 2	106¼ Dec. 11	9.0
Carolina Power & Light Company 1st & Ref. 5's due 1956	7,218,000	N.Y.C.U.	100⅛ May 6	83¾ Jan. 2	99⅝ Dec. 31	18.7
$7 Preferred	685	N.Y.C.U	95 Dec. 13	54⅜ Jan. 10	92 Dec. 27	0.62
$6 Preferred	120	N.Y.C.U.	87½ Dec. 31	57 Feb. 25	85 Dec. 31	0.15

Exhibit 30 (continued)

2704

SECURITIES TRADED IN DURING CALENDAR YEAR 1935

NATIONAL COMPANY AND SUBSIDIARIES—*Continued*

2705

(opposite page)

2706

Exhibit 30

Description of Security	1935 Volume	Exchange Traded On	High	Low	Last	Percentage of Issue Traded In
Houston Lighting & Power Company						
1st Ln. & Ref. 5's due 1953 Ser. "A"	634,000	N.Y.C.U.	107 Mar. 9	103⅛ Aug. 23	106¼ Dec. 31	5.3
" " " "	No Sales	B.S.E.	—	—	—	—
1st Ln. & Ref. 4½'s Series "D" due 1978	542,000	N.Y.C.U.	105¼ Nov. 8	101¾ Sept. 21	103¼ Dec. 31	9.0
1st Ln. & Ref. 4½'s Series "E" due 1981	1,067,000	N.Y.C.U.	106⅞ Dec. 13	104 Jan. 30	105 Dec. 28	11.2
1st Ln. & Ref. 4½'s Series "E" due 1981	No Sales	B.S.E.	—	—	—	—
Lehigh Company						
Debenture 6's Series "A" due 2026	6,480,000	N.Y.C.U.	109⅞ Dec. 31	91¼ Jan. 2	109⅞ Dec. 31	25.9
" " " "	No Sale	Phila.S.E.	—	—	—	—
Pennsylvania Power & Light Company						
1st 4½'s due 1981	9,167,000	N.Y.S.E.	106¼ July 9	98⅝ Jan. 2	106¼ Dec. 31	7.6
" " "	1,000	Phila.S.E.	105⅛ May 9	105⅛ May 9	105⅛ May 9	—
$7 Preferred	3,760	N.Y.C.U.	107¾ Dec. 21	80¾ Jan. 14	106⅞ Dec. 31	1.0
$6 Preferred	255	N.Y.C.U.	103 Oct. 29	77 Jan. 28	100¾ Dec. 19	.32
Memphis Power & Light Company						
1st & Ref. 5's Series "A" due 1948	1,817,000	N.Y.C.U.	104¼ June 21	90⅛ Jan. 3	101¾ Dec. 31	18.2
$7 Preferred	50	N.Y.C.U.	75½ June 3	75½ June 3	75½ June 3	0.17
Tennessee Public Service Company						
1st & Ref. 5's due 1970	920,000	N.Y.C.U.	85¾ July 8	75¾ Feb. 7	78 Dec. 31	13.1

2710

Exhibit 31

2711

PAYMENTS OF BOND AND DEBENTURE INTEREST AND DIVIDENDS

BY UTILITY COMPANIES, AND HOLDING COMPANIES IN THE BOND AND SHARE SYSTEM FROM ACQUISITION TO DECEMBER 31, 1935

SCHEDULE A—AMERICAN COMPANY GROUP

(opposite page)

2712

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PAGE

Exhibit 31 (Continued)

SCHEDULE A

AMERICAN COMPANY GROUP

	BOND AND DEBENTURE INTEREST			PREFERRED STOCK DIVIDENDS					SECOND PREFE	
	Beginning Date	Total Paid	Total in Arrears	Beginning Date	Total Paid	Total Paid to Public	Total in Arrears	Total in Arrears to Public	Beginning Date	Total Paid
Operating Companies										
Central Arizona Light and Power Company	1925	$ 2,766,000	$ —	1925	$ 939,000	$ 853,000	$ —	$ —	—	$ —
Florida Power & Light Company and Predecessors	1924	36,891,000	—	1926	7,392,000	6,243,000	3,459,000	2,996,000	1926	1,314,000
Inland Power & Light Company	—	—	—	—	—	—	—	—	—	—
Kansas Gas and Electric Company and Predecessors	1910	15,568,000	—	1910	7,589,000	7,508,000	—	—	—	—
Minnesota Power & Light Company and Predecessors	1922	20,351,000	—	1923	9,240,000	6,561,000	805,000	795,000	1923	2,107,000
Montana Power Company, The, and Predecessors	1928	18,722,000	—	1928	3,210,000	3,210,000	—	—	—	—
Montana Power Gas Company	—	—	—	—	—	—	—	—	—	—
Nebraska Power Company and Predecessor	1905	13,835,000	—	1905	6,826,000	5,899,000	—	—	1917	359,000
Northwestern Electric Company	1925	4,435,000	—	1925	2,550,000	2,550,000	1,045,000	1,045,000	—	—
Pacific Power & Light Company and Predecessors	1911	13,841,000	—	1912	6,785,000	5,521,000	650,000	650,000	1912	1,034,000
Portland Gas & Coke Company	1911	9,687,000	—	1914	5,542,000	5,539,000	986,000	986,000	—	—
Superior Water, Light and Power Company	1925	411,000	—	1925	385,000	303,000	—	—	—	—
Texas Electric Service Company and Predecessors	1914	14,981,000	—	1914	4,198,000	3,650,000	—	—	—	—
Texas Power & Light Company	1913	26,327,000	—	1914	10,386,000	10,176,000	—	—	—	—
Texas Public Utilities Corporation and Predecessors	—	—	—	—	—	—	—	—	—	—
Washington Water Power Company, The	1929	6,867,000	—	1928	4,282,000	4,282,000	—	—	—	—
Total Operating Companies		$184,682,000	—		$ 69,324,000	$ 62,295,000	$ 6,945,000	$ 6,472,000		$4,814,000
Holding Company										
American Company and Predecessors	1911	46,557,000	—	1909	60,770,000	59,040,000	22,927,000	22,295,000		1,024,000
Total		$231,239,000	—		$130,094,000	$121,335,000	$29,872,000	$28,767,000		$5,838,000

Notations:

The above tabulation does not include interest and dividends paid by subsidiaries of operating companies to such operating companies. With respect to predecessor companies, where books were not available, data was estimated from best available sources.

SECOND PREFERRED STOCK DIVIDENDS				COMMON STOCK DIVIDENDS		
Total Paid	Total Paid to Public	Total in Arrears	Total in Arrears to Public	Beginning Date	Total Paid	Total Paid to Public
$ —	$ —	$ —	$ —	1925	$ 4,655,000	$ —
1,314,000	19,000	455,000	—	1925	6,757,000	—
—	—	—	—	1928	191,000	—
—	—	—	—	1909	6,584,000	—
2,107,000	—	—	—	1925	5,048,000	—
—	—	—	—	1928	10,693,000	—
—	—	—	—	1935	275,000	—
359,000	—	—	—	1911	15,350,000	2,055,000
—	—	—	—	1927	650,000	—
1,034,000	—	—	—	1911	1,659,000	—
—	—	—	—	1909	5,310,000	—
—	—	—	—	1925	1,329,000	—
—	—	—	—	1912	25,752,000	—
—	—	—	—	1913	17,631,000	—
—	—	—	—	1926	1,000,000	—
—	—	—	—	1928	10,515,000	—
$4,814,000	$ 19,000	$455,000			$113,399,000	$ 2,055,000
1,024,000	247,000	—	—	1913	46,883,000	16,263,000
$5,838,000	$266,000	$455,000			$160,282,000	$18,318,000

Exhibit 31 (Continued)

2716

2717

PAYMENTS OF BOND AND DEBENTURE INTEREST AND DIVIDENDS

BY UTILITY COMPANIES, AND HOLDING COMPANIES IN THE BOND AND SHARE SYSTEM FROM ACQUISITION TO DECEMBER 31, 1935

SCHEDULE B—ELECTRIC COMPANY GROUP

(opposite page)

2718

Exhibit 31 (Continued)

SCHEDULE B

ELECTRIC COMPANY GROUP

	BOND AND DEBENTURE INTEREST			PREFERRED STOCK DIVIDENDS					SECOND PREFERRED S		
	Beginning Date	Total Paid	Total in Arrears	Beginning Date	Total Paid	Total Paid to Public	Total in Arrears	Total in Arrears to Public	Beginning Date	Total Paid	Total Paid to Public
Operating Companies											
Arkansas Power & Light Co. & Predecessors	1922	$ 16,473,000	$ —	1923	$ 7,155,000	$ 6,333,000	$ 1,187,000	$ 1,120,000	—	$ —	$ —
Dallas Power & Light Company	1917	10,071,000	—	1919	4,526,000	4,431,000	—	—	—	—	—
Idaho Power Company	1917	10,604,000	—	1917	4,698,000	4,325,000	—	—	—	—	—
Louisiana Power & Light Co. & Predecessors	1925	6,528,000	—	1927	2,664,000	2,443,000	—	—	1927	1,568,000	—
Mississippi Power & Light Co. & Predecessors	1925	6,172,000	—	1925	2,131,000	1,941,000	656,000	641,000	1927	1,155,000	—
New Orleans Public Service, Inc.	1923	33,548,000	—	1923	4,839,000	3,808,000	1,566,000	1,369,000	—	—	—
United Gas Public Service Co., Subsidiaries & Predecessors	1929	36,189,000	993,000	1927	8,556,000	2,300,000	1,489,000	1,489,000	1929	2,236,000	—
Utah Power & Light Co. & Subsidiaries	1914	55,946,000	—	1913	19,965,000	14,953,000	4,546,000	4,507,000	1913	4,338,000	—
Total Operating Companies		$175,531,000	$993,000		$54,534,000	$40,534,000	$ 9,444,000	$ 9,126,000		$ 9,297,000	$ —
Holding Companies											
Electric Company and Predecessors	1912	14,791,000	—	1925	28,561,000	27,875,000	14,968,000	14,957,000	1925	5,426,000	4,822,000
Power Securities Corp. & Predecessors	1914	7,134,000	—	—	—	—	—	—	1930	1,364,000	—
United Company and Predecessors	—	—	—	1928	7,771,000	6,992,000	9,727,000	9,343,000	1930	8,317,000	10,000
Total Holding Companies		$ 21,925,000	—		$36,332,000	$34,867,000	$24,695,000	$24,300,000		$15,107,000	$4,832,000
Total		$197,456,000	$993,000		$90,866,000	$75,401,000	$34,139,000	$33,426,000		$24,404,000	$4,832,000

Notations:

The above tabulation does not include interest and dividends paid by subsidiaries of operating companies to such operating companies. With respect to predecessor companies, where books were not available, data was estimated from best available sources.

PREFERRED STOCK DIVIDENDS			COMMON STOCK DIVIDENDS		
Total Paid to Public	Total in Arrears	Total in Arrears to Public	Beginning Date	Total Paid	Total Paid to Public
$ —	$ —	$ —	1926	$ 7,602,000	$ —
—	—	—	1919	9,300,000	1,400,000
—	—	—	1919	6,493,000	—
—	—	—	1928	4,955,000	—
—	613,000	—	1925	957,000	—
—	—	—	1923	10,240,000	514,000
—	4,350,000	—	1931	4,000,000	—
—	—	—	1925	7,200,000	—
$ —	$ 4,963,000	$ —		$50,747,000	$1,914,000
4,822,000	1,940,000	1,575,000	1928	8,482,000	5,759,000
—	—	—	1932	300,000	—
10,000	23,223,000	—	1929	675,000	—
$4,832,000	$25,163,000	$1,575,000		$ 9,457,000	$5,759,000
$4,832,000	$30,126,000	$1,575,000		$60,204,000	$7,673,000

Exhibit 31 (Continued)

2722

2723

PAYMENTS OF BOND AND DEBENTURE INTEREST AND DIVIDENDS

BY UTILITY COMPANIES, AND HOLDING COMPANIES IN THE BOND AND SHARE SYSTEM FROM ACQUISITION TO DECEMBER 31, 1935

SCHEDULE C—NATIONAL COMPANY GROUP

(opposite page)

2724

Exhibit 31 (Continued)

SCHEDULE C

NATIONAL COMPANY GROUP

	BOND AND DEBENTURE INTEREST			PREFERRED STOCK DIVIDENDS					SECOND
	Beginning Date	Total Paid	Total in Arrears	Beginning Date	Total Paid	Total Paid to Public	Total in Arrears	Total in Arrears to Public	Beginning Date	Total Paid
Operating Companies									
Birmingham Electric Company	1924	$ 9,000,000	—	1924	$ 4,144,000	$ 4,038,000	$ 215,000	$ 215,000	—	$ —
Carolina Power & Light Company & Predecessors	1913	27,265,000	—	1913	13,796,000	12,688,000	1,098,000	995,000	—	—
Houston Lighting & Power Company	1922	11,511,000	—	1922	3,256,000	3,166,000	—	—	—	—
Memphis Power & Light Company	1923	8,379,000	—	1923	3,652,000	3,585,000	—	—	—	—
Pennsylvania Power & Light Co. & Predecessors	1917	64,853,000	—	1917	43,553,000	43,491,000	—	—	1917	46,000
Tennessee Public Service Company & Predecessors	1922	3,800,000	—	1922	1,760,000	823,000	533,000	78,000	—	—
West Tennessee Power & Light Co. & Predecessors	1924	109,000	—	1924	60,000	12,000	—	—	—	—
Total Operating Companies		124,917,000			70,221,000	67,803,000	1,846,000	1,288,000		46,000
Holding Companies										
National Company	1922	11,928,000	—	1923	15,970,000	15,904,000	—	—	—	—
Lehigh Power Securities Corporation and Predecessors	1917	22,906,000	—	1926	7,622,000	1,655,000	—	—	—	—
Total Holding Companies		34,834,000	—		23,592,000	17,559,000	—	—	—	—
Total		$159,751,000	—		$93,813,000	$85,362,000	$ 1,846,000	$ 1,288,000		$46,000

Notations:

The above tabulation does not include interest and dividends paid by subsidiaries of operating companies to such operating companies. With respect to predecessor companies, where books were not available, data was estimated from best available sources.

SECOND PREFERRED STOCK DIVIDENDS				COMMON STOCK DIVIDENDS		
Total Paid	Total Paid to Public	Total in Arrears	Total in Arrears to Public	Beginning Date	Total Paid	Total Paid to Public
$ —	—	—	—	1925	$ 12,080,000	—
—	—	—	—	1917	6,706,000	$ 2,283,000
—	—	—	—	1923	15,922,000	—
—	—	—	—	1923	8,864,000	—
46,000	—	—	—	1922	37,802,000	—
—	—	—	—	1922	3,387,000	—
—	—	—	—	1925	744,000	—
46,000	—	—	—		85,505,000	2,283,000
—	—	—	—	1924	45,101,000	27,294,000
—	—	—	—	1925	28,501,000	144,000
—	—	—	—		73,602,000	27,438,000
$46,000	—	—	—		$159,107,000	$29,721,000

Exhibit 31 (Continued)

2728

PAYMENTS OF BOND AND DEBENTURE INTEREST AND DIVIDENDS

2729

BY ELECTRIC COMPANIES, AND HOLDING COMPANIES IN THE BOND AND SHARE SYSTEM FROM ACQUISITION TO DECEMBER 31, 1935

SCHEDULE D—SUMMARY OF SCHEDULES A, B AND C

(opposite page)

2730

Exhibit 31 (Continued)

SCHEDULE D

SUMMARY OF SCHEDULES A, B AND C

	BOND AND DEBENTURE INTEREST		PREFERRED STOCK DIVIDENDS				SECOND PREFERRED STOCK DIVIDENDS				COMMON STOCK DIVIDENDS	
	Total Paid	Total in Arrears	Total Paid	Total Paid to Public	Total in Arrears	Total in Arrears to Public	Total Paid	Total Paid to Public	Total in Arrears	Total in Arrears to Public	Total Paid	Total Paid to Public
Operating Companies												
American Company Group	$184,682,000	$ —	$ 69,324,000	$ 62,295,000	$ 6,945,000	$ 6,472,000	$ 4,814,000	$ 19,000	$ 455,000	$ —	$113,399,000	$ 2,055,000
Electric Company Group	175,531,000	993,000	54,534,000	40,534,000	9,444,000	9,126,000	9,297,000	—	4,963,000	—	50,747,000	1,914,000
National Company Group	124,917,000	—	70,221,000	67,803,000	1,846,000	1,288,000	46,000	—	—	—	85,505,000	2,283,000
Total Operating Companies	485,130,000	993,000	194,079,000	170,632,000	18,235,000	16,886,000	14,157,000	19,000	5,418,000	—	249,651,000	6,252,000
Holding Companies												
American Company Group	46,557,000	—	60,770,000	59,040,000	22,927,000	22,295,000	1,024,000	247,000	—	—	46,883,000	16,263,000
Electric Company Group	21,925,000	—	36,332,000	34,867,000	24,695,000	24,300,000	15,107,000	4,832,000	25,163,000	1,575,000	9,457,000	5,759,000
National Company Group	34,834,000	—	23,592,000	17,559,000	—	—	—	—	—	—	73,602,000	27,438,000
Total Holding Companies	103,316,000	—	120,694,000	111,466,000	47,622,000	46,595,000	16,131,000	5,079,000	25,163,000	1,575,000	129,942,000	49,460,000
Total	588,446,000	993,000	314,773,000	282,098,000	65,857,000	63,481,000	30,288,000	5,098,000	30,581,000	1,575,000	379,593,000	55,712,000
Bond and Share and Predecessors												
Predecessors	—	—	72,470,000	72,470,000	—	—	—	—	—	—	32,063,000	8,213,000
Total	$588,446,000	$993,000	$387,243,000	$354,568,000	$65,857,000	$63,481,000	$30,288,000	$5,098,000	$30,581,000	$1,575,000	$411,656,000	$63,925,000

Exhibit 31

SCHEDULE E

2734

AMERICAN GAS GROUP
INTEREST AND DIVIDEND PAYMENTS

American Gas (from 1906 to 1936) has never defaulted or been in arrears in the payment of bond or debenture interest or cumulative preferred stock dividends, nor has any company, while a controlled subsidiary of American Gas, ever defaulted or been in arrears in the payment of any bond or debenture interest or cumulative preferred
2735 stock dividends with one minor exception, a small company in the course of reorganization where the holders of the preferred stock with dividends in arrears subsequently received from American Gas full consideration for their stock. No company in the group now has any amount of interest in default or cumulative preferred stock dividends in arrears.

American Gas paid common stock dividends in common stock from 1914 to 1934, inclusive; it has paid common stock dividends from 1910 to date. Common stock dividends payable in cash were at
2736 the rate of twenty-five cents a share each quarter from July, 1923 to the end of 1934 (and common stock dividends payable in cash had been at an equivalent rate on the then existing par value common stock from the beginning of 1916 to the middle of 1923). Common stock dividends payable in cash have been at the regular rate of thirty-five cents a share each quarter since April, 1935.

Exhibit 31

Since organization of the original American Gas in 1906, it and its subsidiary companies (including, subsequent to date of acquisition by American Gas or its subsidiaries, many predecessors of companies now in the group) have paid to the public by way of interest on mortgage bonds, collateral trust bonds, debentures and notes, more than $145,000,000; have paid to the public by way of dividends on preferred stocks, more than $62,000,000, and American Gas has paid by way of cash dividends on its common stock more than $42,000,000, making a grand total of more than $250,000,000. In addition, the common stock dividends by American Gas, payable in common stock, represented on the books of the company more than $41,000,000, which added to the foregoing total would produce a grand total of more than $291,000,000.

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2739

Exhibit 81A

APPRECIATION AND DEPRECIATION OF PROPERTY AND INVESTMENT ACCOUNTS

2740 A. Exhibits 34, 36, 38, 39 and 99 contain statements of the manner in which certain holding and operating companies in the Bond and Share System acquired the securities or properties which they now own. In many cases, the properties or securities so acquired by a company (either upon its organization or thereafter) were set up on the books of the acquiring company, at or about the dates of their acquisition, at ledger values substantially in
2741 excess of (1) the ledger value of such properties upon the books of the predecessor company from whom they were transferred, or (2) the cost thereof to the seller. The ledger values so set up on the books of the acquiring companies were determined by their respective boards of directors (in the case of acquisitions at organization, by the original boards of directors of such companies), in some cases after a determination of the value thereof by the engineering division of Bond and Share, in some cases by outside engineers (in either case, generally without a detailed appraisal), and in
2742 some cases, in the absence of such engineering determination. It was the practice to lay before such boards for their consideration, accounting and earnings studies of companies and their predecessors. In many cases, the acquiring company paid for such securities or properties by issuing to the seller (which seller frequently was the parent holding company of the acquiring company

and in certain cases where the acquiring company was a holding company, was Bond and Share) securities which had an aggregate book value approximately equal to the ledger value placed upon such securities and properties by the acquiring company. 2743

In many cases the American Company, Electric Company, National Company or one of their holding company subsidiaries (or Bond and Share, where the acquiring company was a holding company), over a period of years, sold all or the major portion of the bonds and preferred stock of the acquiring company so delivered to it as seller (retaining the common stock). Through such sales, such parent holding company or Bond and Share received cash representing a substantial portion of its investment. The parties are not in agreement as to the portion of the original investment so realized in each case, and a determination thereof would require elaborate accounting evidence. The parties, however, agree that in certain cases the amount so realized represented the greater portion of such investments, and the defendants agree that, in two cases, it represented substantially the entire amount of such investment. 2744

It has been the practice of American Gas to retain not only the common stocks, but substantial amounts of the bonds and preferred stocks, of its operating subsidiaries, and, while it has made substantial reductions in its investments in its subsidiaries through sales of bond and preferred stocks of such subsidiaries, it has at all times maintained, and still maintains, a substantial investment in such subsidiaries, represented by both senior securities and common stocks. 2745

2746 B. Examiners of the Federal Trade Commission, in the course of the investigation conducted by that Commission pursuant to Senate Resolution No. 83, 70th Congress, First Session, on the basis of the information made available to them by Bond and Share and its subsidiaries, and from other sources made a determination (1) of the ledger value of the properties acquired by certain companies in the Bond and Share System on the books of the predecessor companies from which they were transferred, or (2) of the cost of such properties or of the securities representing them to the seller, in many cases obtaining both such figures. Such ex-
2747 aminers further determined the ledger value of such securities and properties upon the books of the acquiring company as of the date of their acquisition, and stated their conclusions with respect to the amount of the excess of such ledger values over the cost thereof to or the ledger values thereof on the books of the seller or predecessor company. Such determinations and conclusions were transmitted by the Federal Trade Commission to the Senate. Table A, set forth below, contains summaries of such determinations and conclusions with respect to cer-
2748 tain of the companies examined by examiners of the Federal Trade Commission.

C. The defendants, while admitting that the ledger values on the books of the acquiring companies of the securities and properties, referred to in Table A annexed to this Exhibit, were in each case substantially in excess of (1) the ledger value of such properties upon the books of the predecessor companies from which they were acquired, or (2) their cost to the seller, contend that the determina-

tions and conclusions made by the examiners of the Federal Trade Commission are not accurate, but that such examiners made one or more assumptions in arriving at such determinations and conclusions, which assumptions, defendants contend, were erroneous. The plaintiff and cross-defendants contend that the examiners for the Federal Trade Commission were competent and qualified accounts and that such assumptions, if any, where made, are in accordance with sound accounting practice, and that the results obtained by the examiners of the Federal Trade Commission set forth above are accurate. Defendants contend (but plaintiff and cross-defendants do not concede) that when the capital accounts of the holding and operating companies in a single holding company system are consolidated in accordance with accepted accounting practice, the greater portion of the appreciation in ledger values found by the examiners of the Federal Trade Commission is eliminated, and that of the portion not so eliminated, a substantial part represents the amount by which actual costs of properties and securities acquired in arm's-length transactions exceeded the ledger values of such properties and securities on the books of predecessor owners. 2749 2750 2751

D. The defendants contend that the ledger values of said securities and properties, as the same appeared upon the books of the acquiring companies, on or about the dates of acquisition thereof, (1) represent the reasonable judgment of the respective boards of directors of said companies as to such values, and (2) were fair and reasonable

values for such securities and properties upon the
2752 dates when such values were determined. The plaintiff and cross-defendants deny both of these contentions. All parties agree that neither the Federal Trade Commission nor its examiners attempted to make any appraisals of such securities and properties or in any other manner attempted to determine whether such ledger values did or did not, in fact, represent fair and reasonable values for such securities and properties. The reports of the examiners of the Federal Trade Commission of the investment accounts of the companies in question each contain a prefatory note reading as follows:

2753

"This report was prepared with reference to that part of Senate Resolution 83 (Feb. 15, 1928) which relates to the actual investments, financial transactions, business operations, earnings, and other economic results of electric power and gas utility companies, their holding companies, and their associated or affiliated companies. It does not purport to go into questions of the fair value of the property of these public utilities (operating companies) or of fair rate of return or reasonable rates
2754 for services rendered, and the Senate resolution in question did not call for such information, which would have required, among other things, an appraisal of all the properties of the utilities in question. The subjects of this inquiry, directed by the Senate, are fundamental for an understanding of how these utility companies and the utility holding companies have developed and the present position of the holding companies as business corporations and in their relations to these public utilities."

Exhibit 31A

The then Chief Counsel for the Federal Trade Commission made the following reference to this problem in his statement opening that Commission's hearings with respect to American Gas and Electric Company: 2755

"The commission recognizes that the fair value of assets and liabilities may be much greater than the books of account disclose or that they may be less. The determination of fair value is one for which provision had been generally made under existing statutes by administrative and judicial authorities when such issue arises in particular cases. Some of the 2756 facts brought out in these hearings regarding the growth of capital assets and liabilities may have a bearing on questions of fair value, but, according to the law, they are not the only factors to be considered. They will be informative chiefly regarding the cost of investment and the extent of increases in book value over and above such cost. If the Senate had intended any such inquiry, i. e., as to values and appraisals to be made, it would have been a simple matter to express its wishes, as the Congress has already done with regard to railroads. It would 2757 have also recognized that such an undertaking would require an appropriation of many millions of dollars and that it would involve an inquiry extending over a considerable number of years.

The proceedings of the Senate with reference to the inquiry also make it plain that a general valuation of the property of these public utilities was not contemplated.

2758 It will also be impossible for this commission to make findings as to the reasonableness of the rates of return on fair value of the property of these utilities, because such fair value is not determined in this inquiry, as already stated. It also follows, as a necessary consequence, that the reasonableness of specific rates for service charged by operating companies is therefore not here for consideration.

But rates of return on investment, rates for service and other data may be presented in these hearings, in the way of statistical compilation and analysis for the information of the Sen-

2759 ate, but that will be because those subjects are necessarily incidental to the main topics which we are trying to find out about."

E. All of the parties recognize that the introduction of evidence in this proceeding sufficient to permit this court to determine and find (1) whether the results obtained by the examiners of the Federal Trade Commission set forth in Table A are or are not accurate, and (2) whether the ledger values of said securities and property upon the books of

2760 the acquiring companies did or did not represent fair and reasonable values thereof as of the dates of their determination by the boards of directors of the acquiring companies, would entail extensive litigation, requiring many weeks of testimony by accountants, engineers and others, and voluminous exhibits, including retrospective appraisals. All of the parties to this proceeding agree that it is unnecessary to an adjudication of the issues in this proceeding that this court make any determination or findings with respect to these two questions, and,

therefore, do not intend, either by stipulation or by testimony in open court, to present evidence as a basis for such findings. The parties agree, reserving objections to materiality, that, if deemed material, the court may find (1) that the ledger values of such securities and properties upon the books of the acquiring companies, as shown in Table A, were substantially in excess of (a) the ledger value of such properties upon the books of the predecessor companies from which they were acquired, or (b) the cost of such securities or properties to the seller thereof; (2) that the examiners of the Federal Trade Commission did make a determination of such excess amounts, as set forth above, and that the Commission transmitted such determination to the Senate; (3) that a controversy exists between the parties as to the correctness of such determination; and (4) that there is a controversy between the parties as to whether or not or to what extent such ledger values represented the fair and reasonable values of such securities and properties as of the dates upon which such ledger values were established. 2761 2762

F. Subsequent to the dates upon which the securities and properties of certain of the companies mentioned in Table A were set up upon the books of the acquiring company at the values set forth in such table, the ledger values of such securities and properties were decreased pursuant to action of the board of directors of the company concerned. Table B, annexed to this Exhibit, shows such decreases in the ledger values of such securities and properties. 2763

Exhibit 31A (Continued)

2764

TABLE A

APPRECIATION IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

2765

FOR DEPRECIATION IN SUCH LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS SEE TABLE B

AMERICAN COMPANY

(opposite page)

2766

Exhibit 31A (Table A continued)

TABLE A

APPRECIATION IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

FOR DEPRECIATION IN SUCH LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS SEE TABLE B

AMERICAN COMPANY

	Ledger Value of Plant and Investment on Books of Acquiring Company	Ledger Value of Plant and Investment on Books of Predecessor Company or Cost to Seller [1]	Excess	Date	F. T. C. Refer. S. D. 92 Part—Page
Kansas Gas and Electric Co.	$ 5,519,462.32	$ 2,971,920.08 †, [2]	$ 2,547,542.24	1909	23-927
Pacific Power & Light Co.	10,447,000.00	4,767,572.34 †, [2]	5,679,427.66	1910	35-145
Texas Power & Light Co.	10,550,000.00	2,390,000.00 †, [2]	8,160,000.00	1912	23-864
Nebraska Power Co.	14,020,000.00	6,632,484.07 *, [3]	7,387,515.93	1917	41-730/777
Minnesota Power & Light Co.	42,772,194.88	20,701,083.78 *, †, [4]	22,071,111.10	1923/4	26-465/470
Florida Power & Light Co.	64,021,008.33	33,789,000.48 *, [5]	30,232,007.85	1925	23-885
Inland Power & Light Co.	3,195,369.27	1,882,002.22 †, [2]	1,313,367.05	1926	35-164
The Washington Water Power Co.	6,304,702.59	3,788,088.03 *, [6]	2,516,614.56	1930	29-97

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[1] Throughout this table, values in column 2 which are followed by the symbol * represent value of plant and investment on books of predecessor company. Values followed by the symbol † represent cost to seller. Where a value is followed by both symbols, the first basis was used in determining the value of a portion of the assets, and the second in determining the value of the remainder. In all cases (unless otherwise indicated) substantially all of the common stock of the "predecessor company" referred to in the headnote to column 2 was acquired by its parent holding company or by Bond and Share prior to the sale of its assets. The "seller" referred to in the headnote to column 2 (unless otherwise indicated) was either Bond and Share or the parent holding company of the acquiring company.

[2] Information concerning ledger value of plant and investment on books of predecessor company not available to Federal Trade Commission examiners.

[3] Had cost to Bond and Share been used as a basis the "excess" in column 3 would have been decreased by $843,447.42 —S. D. 92, Pt. 41, p. 732).

[4] Had cost to American Company been used as a basis the "excess" in column 3 would have been decreased by $3,905,951.61—(S. D. 92, Pt. 26, pp. 459, 471; Pt. 23, p. 964).

[5] Had cost to American Company been used as a basis the "excess" in column 3 would have been decreased by a few million dollars, the exact amount not being determined by the Federal Trade Commission.

[6] Had cost to American Company been used as a basis the "excess" in column 3 would have been decreased by $963,240.87 —(S. D. 92, Pt. 29, p. 97). The figures in columns 1 and 2 do not represent the company's total fixed capital but only that part involved in the transaction in which the appreciation occurred.

2770

TABLE A

2771

APPRECIATION IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

FOR DEPRECIATION IN SUCH LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS SEE TABLE B

ELECTRIC COMPANY

(opposite page)

2772

925

TABLE A

APPRECIATION IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

FOR DEPRECIATION IN SUCH LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS SEE TABLE B

ELECTRIC COMPANY

	Ledger Value of Plant and Investment on Books of Acquiring Company	Ledger Value of Plant and Investment on Books of Predecessor Company or Cost to Seller [1]	Excess	Date	F. T. C. Refer. S. D. 92 Part—Page
Utah Power & Light Co.	$22,100,000.00	$ 6,480,708.32	$15,619,291.68	1912	45-1663
" " "	8,927,221.68	2,874,125.46	6,053,096.22	1913	45-1663
" " "	7,545,196.21	2,121,768.99	5,423,427.22	1913	45-1663
" " "	691,026.00	566,159.50	124,866.50	1913	45-1663
" " "	350,706.98	245,442.33	105,264.65	1913	45-1663
" " "	5,626,639.51	999,900.00	4,626,739.51	1915	45-1671
" " "	1,310,420.80	1,211,679.40	98,741.40	1926	45-1664
" " "	27,171,361.81	25,690,072.14	1,481,289.67		45-1664
Total Utah Power & Light Co.	$73,722,572.99	$40,189,856.14 †, 2	$33,532,716.85		
Idaho Power Co.	22,792,393.99	13,100,079.00 7, 2	9,692,314.99	1916	35-257
Electric Power & Light Corp.					
Securities of Utah Power & Light Co.	33,373,343.98 [8]	3,854,263.98 [8]	29,519,080.00 [9]	1925	23-1175/1176
Rest of Securities at time of organization	33,126,656.02	21,085,654.77 [10]	12,041,001.25	1925	23-1252
Arkansas Power & Light Co.	15,789,312.35	8,831,399.12 *, †, 11	6,957,913.23	1926	42-730
Louisiana Power & Light Co.	19,299,574.82	9,627,354.80 * 11	7,776,857.07	1927	42-813
Mississippi Power & Light Co.	20,424,839.87	12,647,982.80 * 11	9,672,220.02	1927	43-817
United Gas Corp.	278,875,046.64	144,050,487.14 [12]	134,824,559.50	1930	84-A-333

[1] See footnote on page 923.

[2] See footnote on page 923.

[7] Column 2 represents cost to Electric Investment Company.

[8] Column 2 represents the ledger value of the securities on the books of Utah Securities Corporation shortly prior to the transfer. Prior to this acquisition Bond and Share owned a 16% interest in these securities, the remainder having been acquired from non-associated interests.

[9] The appreciation in the ledger value of the securities of Utah Power & Light Co. on the books of Electric Power & Light Corp. reflects (to the extent of $29,519,080) the appreciation in the assets of that company shown above and is not in addition thereto.

[10] Represents the ledger value of securities on the books of Bond and Share immediately prior to the transfer. Cost of these securities to Bond and Share was approximately $52,000 less than this figure—(S. D. 92, Pt. 23, p. 1177).

[11] Had aggregate cost to Electric Company been used as a basis, the aggregate "excess" in column 3 would have been decreased by $2,991,389.16.

[12] Column 2 represents cost to Electric Company for securities deposited by it, and ledger value of the securities, including surplus, deposited by the non-affiliated interests.

Exhibit 31A (Table A continued)

2776

TABLE A

2777 APPRECIATION IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

FOR DEPRECIATION IN SUCH LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS SEE TABLE B

NATIONAL COMPANY

(opposite page)

2778

Exhibit 31A (Table A continued)

TABLE A

APPRECIATION IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

FOR DEPRECIATION IN SUCH LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS SEE TABLE B

NATIONAL COMPANY

	Ledger Value of Plant and Investment on Books of Acquiring Company	Ledger Value of Plant and Investment on Books of Predecessor Company or Cost to Seller [1]	Excess	Date	F. T. C. Refer. S. D. 92 Part—Page
Arkansas Central Power Co.	$ 7,277,741.15 [13]	$ 5,675,414.53 †, [14]	$ 1,602,326.62	1923	25-684
Memphis Power & Light Co.	22,740,578.25 [13]	12,229,355.12 †, [14]	10,511,223.13	1923	25-681
Birmingham Electric Co.	37,977,879.83	27,594,307.40 *, [15]	10,383,572.43	1924	25-696
Carolina Power & Light Co.	60,918,545.39	38,818,067.16 *, [16]	22,100,478.23	1926	26-87/89
Tennessee Public Service Co.	15,006,825.98	10,618,668.62 *, [17]	4,388,157.36	1930	69-228

[1] See footnote on page 923.

[13] Column 1 represents book values of securities issued against assets acquired.

[14] Federal Trade Commission examiners made no finding of the ledger value of plant and investment on the books of the predecessor companies.

[15] Had cost to National Company been used as a basis, the "excess" in column 3 would have been increased by $6,098,064.20—(S. D. 92, Pt. 25, p. 690).

[16] Prior to this sale Bond and Share, the parent holding company, owned 34% of the common stock of the predecessor company.

[17] Federal Trade Commission examiners made no finding of cost to National Company.

Exhibit 31A (Table A continued)

2782

TABLE A

APPRECIATION IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

2783

FOR DEPRECIATION IN SUCH LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS SEE TABLE B

AMERICAN GAS

(opposite page)

2784

Exhibit 31A (Table A continued)

TABLE A

APPRECIATION IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

FOR DEPRECIATION IN SUCH LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS SEE TABLE B

	Ledger Value of Plant and Investment on Books of Acquiring Company	Ledger Value of Plant and Investment on Books of Predecessor Company or Cost to Seller [1]	Excess	Date	F. T. C. Refer.- S. D. 92 Part—Page
Appalachian Electric Power Co.	$139,039,648.00	$72,621,455.20 *	$66,418,192.80	1926	22-964
The Ohio Power Co.[18]	17,028,953.27	14,253,581.50 *	2,775,371.77	1919/26	22-1023
Indiana & Michigan Electric Co.	19,031,648.94	13,073,173.65 *	5,958,475.29	1925	22-1086
The Scranton Electric Co.	29,564,178.86	25,137,851.28 *	4,426,327.58	1928	22-1155
Kentucky-West Virginia Power Co.			3,300,000.00[19]	1926	22-1199
Atlantic City Electric Co.			2,212,774.86[19]	1927	22-1199
Wheeling Electric Co.			901,518.00[19]	1911	22-1199

[1] See footnote on page 923.

[18] The figures in column 1 and 2 do not represent company's total fixed capital, but only that portion involved in the transaction in which the appreciation occurred.

[19] Represents excess ledger value of plant and investment on books of acquiring company over ledger value of plant and investment on books of predecessor company. This figure was furnished by American Gas to the Federal Trade Commission examiners who made no investigation of these companies.

Exhibit 31A (Continued)

TABLE B

2788

DECREASE IN LEDGER VALUE OF PLANT AND INVESTMENT ACCOUNTS

Company	Decrease in ledger value of Plant and Investment accounts	Date
	American Company	
Pacific Power & Light Co.	$344,500.00	December, 1921
Nebraska Power Co.	500,000.00	December, 1933
2789	*Electric Company*	
United Gas Corporation	$130,587,487.59	November 30, 193
	National Company	
Memphis Power & Light Co.	$ 5,391,193.40	December 30, 193
Birmingham Electric Co.	12,356,113.67	September 12, 193
Carolina Power & Light Co.	3,727,273.40	December, 1933
"	157,340.20	January, 1934
"	172,012.43	December, 1935
2790	*American Gas*	
Appalachian Electric Power Co.	$42,590,485.29	Feb. 1933
Indiana & Michigan Electric Co.	430,597.49	May 1933
The Scranton Electric Co.	582,392.38	May 1933

Exhibit 32

PLAN OF ORGANIZATION OF AMERICAN COMPANY AND SUBSCRIPTION AGREEMENT FOR PURCHASE OF STOCK

2791

Agreement, dated August 16, 1909, between the subscribers severally parties of the first part, and Electric Bond & Share Co., hereinafter called banker, party of the second part.

Whereas a plan has been devised for acquiring certain property and assets and vesting the same in a new corporation, which plan is as follows:

PLAN

2792

A new corporation is to be formed known as American Power & Light Co., or by some other appropriate name, which is to have an authorized capital as follows namely:

1. Ten million dollars of common stock.

2. Five million dollars of preferred stock, entitled in preference to the common stock to dividends of 6 per cent per annum (cumulative from October 1, 1909), and upon distribution to par plus such cumulative dividends as may be unpaid and 2793 entitled to no further dividend or distribution, such preferred stock to be redeemable at any time at 115 per cent of par plus accrued dividends.

Two million five hundred thousand dollars of preferred stock and $5,500,000 of common stock are to be issued forthwith for—

(a) All the stock and $55,000 in principal amount of the bonds of the Home, Light, Heat & Power Co., of Pittsburg, Kans.;

(b) All the stock of the United Gas and the Edi-
2794 son Light & Power Co., of Wichita, Kans.;

(c) All the stock of the Astoria Electric Co.; and

(d) Five hundred thousand dollars in cash; it being understood that neither the new corporation nor anyone else shall have any right to question any contract or transaction through which such stock shall be issued or acquired, although there may result to banker or to anyone else a profit therefrom; and

2795 Whereas all further details of said plan are to be determined by banker; and

Whereas banker expects to acquire some or all of the stock so to be forthwith issued and to be in a position to sell any portion of the same:

Now, therefore, each subscriber hereby severally agrees with banker, upon the terms and conditions hereinafter stated, to purchase from banker preferred stock of the new corporation of the par value set after his signature hereto (together with common stock to the amount of 80 per cent of the preferred) or such smaller amount as banker may
2796 allot; it being understood that prior to allotment banker may reduce or reject entirely any subscription.

The price is $1,000 plus accrued dividends for each block consisting of $1,000 par value preferred stock, $800 par value common stock, and is to be payable in New York funds to banker, or such depositary as it may designate, in installments, the first installment to be 50 per cent of the par value of the preferred stock to be taken, payable

upon 5 days' notice, and the other installments each to be not more than 25 per cent and to be payable upon not less than 10 days' notice. 2797

After allotment subscribers may pay the whole or any part of the price before it shall become payable as aforesaid. Preferred stock to the nearest integral amount of interim receipts therefor shall be delivered as payments are made. At the time of the final payment adjustment will be made between interest of payments (at rate of 6 per cent per annum) and accrued dividends on preferred stock, dividends to be deemed to accrue on the preferred stock only from October 1, 1909. Common stock or interim receipts therefor shall be delivered upon final payment. 2798

Instead of delivering the shares of stock of said new corporation to which any subscriber may be entitled, banker may deliver voting trust certificates for said common stock or for both said common stock and preferred stock, or any portion of either thereof, as it may elect, the banker to determine for each subscriber all the provisions of the voting trust agreement under which said certificates are to be issued, including the period for which said agreement is to run and the names of the voting trustees. 2799

Appropriate receipts of banker, transferrable only as therein provided, shall be issued for all payments, transfer, however, not to discharge the obligation of any subscriber without written consent of banker.

Should any subscriber fail to pay any installment when due, banker may, if it so elects, resell at public or private sale, without notice, and upon such terms as banker may determine, the undeliv-

2800 ered stock hereby agreed to be purchased by him, and shall thereupon be accountable to him only for the excess, if any, of the net amount received upon such sale over the amount still payable to him hereunder; the subscriber to remain liable to the banker for any deficit.

Any call, notice, or other communication under or in connection with this agreement shall be sufficiently given or made to any subscriber, if delivered at or mailed to the address written after his signature hereto.

2801 If the plan herein contemplated is abandoned, so that stock in accordance therewith is not acquired by the banker, it will be liable only to return the money paid to it by the subscribers hereunder.

No partnership or joint relation of any kind results from this agreement. Banker assumes no fiduciary relation of any kind, nor any obligation to cause the plan aforesaid to be undertaken or carried out.

2802

Name		Par value of preferred stock				Address	
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—

Exhibit 33

AMERICAN COMPANY ORGANIZATION SYNDICATE COST AND PROFIT *

Excess of par value of American Power & Light Co. securities paid to C. M. Hamilton (Electric Bond & Share Co.) September 30, 1909, over cost to Electric Bond & Share Co. of securities and cost acquired by American Power & Light Co.

2803

	Par value or principal amount	Cost to Electric Bond and Share Co.	Total and excess	
Payment by American Power & Light Co. at organization to C. M. Hamilton, under terms of agreement dated Sept. 30, 1909:				
6 per cent cumulative preferred stock of American Power & Light Co.—par value			$2,500,000.00	
Common stock of American Power & Light Co.—par value			5,497,800.00	
Total			7,997,800.00	2804
Acquired by American Power & Light Co. from Electric Bond and Share Co. for the above consideration:				
Securities (entire outstanding capital stock except directors, qualifying shares)—				
The Home Light, Heat & Power Co., Pittsburg, Kans. (acquired by Electric Bond and Share Co. Apr. 13, 1909)—				
Capital stock	$99,500.00)			
6 per cent bonds	55,000.00)	$433,268.47		2805
6 per cent demand notes	38,000.00)			
The Edison Light & Power Co., Wichita, Kans. (acquired by Electric Bond and Share Co. May 29, 1909)—				
Capital stock	799,500.00)			
Capital stock of the United Gas Co.	250,000.00)			
The United Gas Co., Wichita, Kans. (acquired by Electric Bond and Share Co. May 29, 1909) capital stock	249,500.00)	1,088,200.63		
The Gas & Electrical Appliance Co. Wichita, Kans, (acquired by Electric Bond and Share Co. May 29, 1909), capital stock	2,000.00)			

* This statement was prepared by the Federal Trade Commission as stated in section 24 of the stipulation.

Exhibit 33

	Par value of principal amount	Cost to Electric Bond & Share	Total and excess
Astoria Electric Co. (acquired by Electric Bond and Share Co. in January, 1906, and April, 1909), capital stock	299,500.00	244,910.00	
Sundry investigational and syndicate expenses		96,107.24	
Cash paid under terms of agreement with C. M. Hamilton		500,000.00	
Cash advances to American Power & Light Co.		80,223.66	
			2,442,710.00
Excess of par value of American Power & Light Co. securities over cost to Electric Bond and Share Co. of securities acquired			5,555,090.00
Accounted for as follows:			
Profit to Electric Bond and Share Co. from sale of capital stock of Astoria Electric Co. to American Power & Light Co. syndicate			55,090.00
American Power & Light Co. common stock disposed of by syndicate—			
Dealers' and agents' commissions in connection with sale of American Power & Light Co. 6 per cent cumulative preferred stock			798,100.00
Bonus to purchasers of $2,500,000 par value 6 per cent cumulative preferred stock of American Power & Light Co.			2,000,000.00
Syndicate stock profits—			
Electric Bond and Share Co. participation 60 per cent			1,621,100.00
Other syndicate participation 40 per cent			1,080,800.00
Total			5,555,090.00

Exhibit 34

ORGANIZATION AND CAPITALIZATION OF CERTAIN OPERATING SUBSIDIARIES OF AMERICAN COMPANY

2809

A.

This exhibit contains a description of the organization and capitalization of certain of the operating subsidiaries of American Company which were organized or acquired by American Company subsequent to the date of its organization in 1909, as described in Article VI of the stipulation

2810

B. *Kansas Gas and Electric Company*

In 1909, shortly following its organization, American Company, organized Kansas Gas and Electric Company and transferred to it the Pittsburg and Wichita properties acquired by it from Bond and Share at the time of its organization. In consideration for this transfer, Kansas Gas and Electric Company issued to American Company all of its securities, consisting of common stock, preferred stock and bonds. American Company, through the agency of Bond and Share, subsequently sold the preferred stock and bonds to the public.

2811

C. *Portland Gas & Coke Company*

In 1909 Bond and Share acquired on behalf of, and later sold for cash to, American Company, voting trust certificates of Portland Gas Company, which represented all voting securities of that company. As a result of a reorganization of Portland

2812 Gas Company in 1910, in which American Company was the sole participant through its ownership of the voting trust certificates, Portland Gas & Coke Company was organized under the laws of Oregon, and American Company became owner of all the common stock in the present company. Since its organization, Portland Gas & Coke Company has acquired other utility properties.

D. *Texas Power & Light Company*

2813 In 1912 Bond and Share organized the Texas Power & Light Company and transferred to it certain securities and properties of electric companies in Texas, at that time owned by Bond and Share, in exchange for substantially all of the securities of Texas Power & Light Company. At or about the same time, Bond and Share organized the Southwestern Utilities Corporation and transferred to it the securities of Texas Power & Light Company in exchange for cash in an amount sufficient to reimburse Bond and Share for all expenses in connection with the acquisition of these Texas properties and the organization of Texas Power & Light Company. During the same year, American Company

2814 transferred to Southwestern Utilities Corporation the securities of other Texas electric companies which had been purchased from Bond and Share for cash in an amount equal to their cost to Bond and Share. As consideration for this transfer of securities and as a bonus in connection with the subscription of American Company for notes of Southwestern Utilities Corporation, that company issued to American Company a large portion of its outstanding common stock, other subscribers

for such notes having received common stock of the Southwestern Company on the same basis. Southwestern Power & Light Company was then organized and the properties and securities owned by Southwestern Utilities Corporation conveyed to the new corporation in exchange for its voting securities. The non-voting securities of Southwestern Power & Light Company were sold to the public. In 1914 American Company acquired substantially all the remaining shares of common stock of Southwestern Utilities Corporation, through the agency of Bond and Share, and pursuant to the terms of the plan of organization of Southwestern Utilities Corporation which gave to Bond and Share the right, at any time prior to June 15, 1917, to acquire all or any part of the voting securities of Southwestern Utilities Corporation by exchanging one share of American Company common stock for two shares of Southwestern Utilities Corporation common stock. In 1918 American Company, at that time owning all the common stock of Southwestern Utilities Corporation and having claims against that company totaling $3,494,195.75, caused Southwestern Utilities Corporation to be dissolved and its assets, which consisted largely of stock in Southwestern Power & Light Company were acquired by American Company. Thereafter, from time to time, Texas Power & Light Company acquired from Southwestern Power & Light Company and from non-associated companies, in exchange for its bonds, preferred stock and cash, stocks and properties of other electric companies. In 1930, all of the assets of Southwestern Power & Light Company, including substantially all the voting securities of Texas Power & Light Company, were transferred to Ameri-

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2817

2818 can Company, which assumed all the liabilities of Southwestern Power & Light Company and paid to the latter company an amount in cash sufficient to effect the redemption of its securities not assumed.

E. *Pacific Power & Light Company*

American Company organized Pacific Power & Light Company in 1910 and transferred to it properties of Astoria Electric Company and other electric properties in Oregon and Washington at that time owned by American Company. Except for Astoria
1819 Electric Company, which was acquired from Bond and Share at the time of its organization, American Company had acquired these properties through a syndicate formed with H. M. Byllesby & Company. As consideration for the transfer of these properties to Pacific Power & Light Company, that company issued to American Company all of its authorized shares of common stock (except directors' qualifying shares) preferred stock and bonds. The preferred stock and bonds were then sold to the general public.

2820 Since its organization, Pacific Power & Light Company has purchased for cash or securities, from American Company and from certain non-affiliated interests, additional electric properties or the securities of electric utility companies.

F. *Nebraska Power Company*

Bond and Share organized Nebraska Power Company in 1917 and transferred to it all of the properties and securities owned by Omaha Electric Light

& Power Company, which had been acquired by Bond and Share from time to time since 1905. As consideration for this transfer, Nebraska Power Company issued to Bond and Share common stock, preferred stock, second preferred stock and notes. Immediately thereafter, Bond and Share transferred these securities to American Company in exchange for preferred and common stock and demand notes of American Company. American Company then sold all of the preferred stock, second preferred stock and bonds of Nebraska Power Company, so acquired by it, to the general public. Since its organization Nebraska Power Company has acquired, through the agency of an employee of Bond and Share, additional utility properties and the voting securities of other utility and non-utility companies. Attached to this Exhibit as a part hereof are extracts from minutes of the Executive Committee of Bond and Share and of the Board of Directors of American Company relating to the organization of Nebraska Power Company. 2821 2822

G. *Minnesota Power & Light Company*

In 1923 American Company, through the agency of Bond and Share, acquired, in exchange for shares of its preferred stock, all the common stock and most of the preferred stock of the Minnesota Power & Light Company, at that time named Duluth-Edison Electric Company. Between 1906 and 1923, one or more officers or directors of Bond and Share or of American Company served as directors of Duluth-Edison Electric Company, but at all times constituted a minority of such Board of Directors. On December 15, 1922, Duluth-Edison Electric 2823

2824 Company executed a service contract in the form described in Section 82, with Bond and Share, which had been rendering services to it for compensation since 1909. Attached to this Exhibit as a part hereof is an extract from the minutes of a meeting of the board of directors of American Company held June 2, 1922, approving the acquisition by that Company of the common stock of Duluth-Edison Electric Company.

Contemporaneously with the acquisition of the Duluth-Edison Electric Company, and from time to time thereafter, American Company, acting through the agency of an employee of Bond and Share, ac-
2825 quired a majority of the voting securities of other electric utility companies operating in Minnesota. Later all these properties were conveyed to the Minnesota Power & Light Company. In consideration for these transfers, Minnesota Power & Light Company issued common and preferred stock and bonds to American Company, a large portion of which securities, save for the common stock, was subsequently sold to the general public.

H. *Florida Power & Light Company*

2826 American Company organized Florida Power & Light Company in 1925 to consolidate a number of Florida utility companies whose securities had been acquired by it during 1924 and 1925, through the agency of Bond and Share. In consideration for these properties, Florida Power & Light Company issued to the American Company all of its outstanding preferred, second preferred and common stock. American Company retained all of the common stock and second preferred stock and sold to the public the greater part of the preferred stock.

American Company subsequently advanced $22,000,000 in cash to Florida Power & Light Company for an equal amount of 6% debentures of Florida Power & Light Company and also subsequently purchased for cash from Florida Power & Light Company 10,000 shares of that company's $6 Preferred stock. American Company still retains these debentures and this $6 Preferred stock. 2827

I. *Other Acquisitions*

On or about the dates set forth below, American Company, through the agency of Bond and Share, purchased from non-affiliated interests securities of the following companies (or acquired their securities in consideration for properties which it transferred to such companies on their organization, after having purchased such properties from non-affiliated interests) in amounts approximately equal to its present holdings in said companies as shown in Exhibit 17: 2828

Date	*Name of Company*
1924	Central Arizona Light and Power Company
1925	Superior Water, Light and Power Company
1925 to 1927	Northwestern Electric Company
1928	The Montana Power Company
1928	The Washington Water Power Company
1929	Texas Electric Service Company
1932	Montana Power Gas Company

2829

Exhibit 34

MINUTES RELATING TO ORGANIZATION OF NEBRASKA POWER COMPANY

2830

Excerpt from Minutes of the executive committee of Electric Bond & Share Co., March 27, 1917

The president stated that this company has purchased from time to time, at $140 per share 24,527 shares of common stock of Omaha Electric Light & Power Co., which amount, together with the 9,127 shares previously owned by Electric Bond & Share Co., makes a total of 33,654 shares, or all of the outstanding common stock.

2831

The president stated that the American Power & Light Co. had offered to buy from this company at cost to it (including interest at 6 per cent) all the stock of the Omaha company which this company has recently purchased and in addition to buy from this company its previous holdings of 9,127 shares of Omaha Stock at the average cost to this company of the other Omaha stock plus accrued dividends, which this company recently acquired. The president further stated that this company's original holdings of 9,127 shares of Omaha

2832

stock is carried at a book value of $912,700 and that under this arrangement the selling price thereof will be $1,277,780, thereby giving this company a profit of $365,080, and that American Power & Light Co. offers an additional profit of $500,000 payable in its common stock at par. The entire transaction to be put through as of May 1, 1917. The president stated that American Power & Light Co. proposes to form the Nebraska Power Co. to take over the Omaha properties and will expect the Electric Bond & Share Co. as its fiscal agent to assist American Power & Light Co. temporarily

in the matter of financing this transaction by making sales of Nebraska Power Co.'s bonds and preferred stock for account of American Power & Light Co. or by helping the latter in the way of loans, or in both ways. 2833

On motion duly seconded it was voted that the plan of selling this company's holdings of stock in the Omaha Electric Light & Power Co. to the American Power & Light Co. and assisting the latter in financing the transaction be and the same is approved and the officers of this company are hereby authorized to carry out the same.

2834

Excerpt from Minutes of board of directors of American Power & Light Co., June 15, 1917

The chairman referred to the authority given by the board at its meeting May 3, 1917, to purchase common and preferred stock of Omaha Electric Light & Power Co. from Electric Bond & Share Co., and presented a communication from Electric Bond & Share Co., of which the following is a true copy:

NEW YORK, N. Y., *June 15, 1917.*

2835

AMERICAN POWER & LIGHT CO.,

New York, N. Y.

DEAR SIRS: Since our agreement for the sale to you of 33,654 shares of the common stock and 4,242 shares of the preferred stock of Omaha Electric Light & Power Co., that company has conveyed all its property, except the original incorporation papers, minute and stock books and other stock rec-

ords to Nebraska Power Co., a corporation of the
2836 State of Maine, in consideration of the issuance by Nebraska Power Co. to or upon the order of Harry M. Durning of $1,500,000 principal amount of its 5 per cent negotiable promissory notes, payable 10 years from their date, with interest payable semiannually, the company being entitled to pay the whole or any part before maturity; $3,500,000 par value of its full-paid and nonassessable preferred stock; $1,000,000 of its full-paid and nonassessable second preferred stock; $4,999,500 par value of its full-paid and nonassessable common
2837 stock, and the assumption by that company of all the outstanding debts and obligations of Omaha Electric Light & Power Co., the foregoing constituting all the securities of Nebraska Power Co. issued and outstanding, except five shares of its common stock held by directors. Of the securities so received by Mr. Durning, $500,000 par value of preferred stock has been deposited with trustees to be held for the benefit and use of Nebraska Power Co. and the rest of said securities has been transferred to your company in consideration of the payment by you to the order of Mr. Durning of $5,239,-
2838 108 in cash and the issuance by you of $93,500 par value of your full-paid and nonassessable preferred stock with dividends cumulative from April 1, 1917, and $500,000 par value of your full-paid and nonassessable common stock. The Omaha Electric Light & Power Co. had, prior to the conveyance of its property to the Nebraska Power Co., declared a dividend of 3 per cent on its common stock and a dividend of 1⅞ per cent on its preferred stock. Such dividends to the amount of $108,915.75 have

Exhibit 34

been paid to us and we have turned all of this amount over to you. 2839

These steps were taken with the advice and consent of your officers and in substitution for the performance of our contract to sell to you the stock of Omaha Electric Light & Power Co. We request that these acts be ratified and approved by your board of directors.

Yours very truly,

ELECTRIC BOND AND SHARE CO.

He stated that inasmuch as by this offer this company was able to acquire securities representing the property of Omaha Electric Light & Power Co. as Mr. Durning's offer had been accepted by the officers in behalf of the company and the contract so made had been carried out. Whereupon, on motion, duly seconded, it was unanimously 2840

Resolved—

(1) That all acts of the officers of this company reported to this meeting be and the same hereby are adopted, ratified, and approved. 2841

(2) That the transfer to this company of $1,500,000 principal amount of notes, $3,000,000 par value of preferred stock, $1,000,000 par value of second preferred stock and $4,999,500 par value of common stock of Nebraska Power Co. be accepted in full satisfaction and discharge of the obligation of Electric Bond & Share Co. to transfer to this company any shares of stock of Omaha Electric Light & Power Co.

Exhibit 34

Excerpts from Minutes of the board of directors of American Power & Light Co., March 24, 1922

2842 The chairman reported that at the time of the organization of Nebraska Power Co., each of that company's local directors was permitted to purchase not to exceed 250 shares of the common stock of that company from stock belonging to this company, but subject to an agreement with this company whereby this company could at any time reacquire the same by payment of $25 per share, and that upon the election of Mr. T. B. Coleman, who succeeded Mr. W. B. McHugh as a director in
2843 1920, he was permitted to take over his holding under the same terms. He stated that five vacancies, caused by resignations and death of original members of the board, have been filled with new members, and that in view of the fact that these new members render valuable service to the company and receive no compensation other than directors' fees, it is felt they should also be given the right to acquire the stock of that company.

He further stated that if each of the new directors, with the exception of Mr. Coleman, were
2844 offered and took a maximum allotment of 250 shares, the total amount of stock required would be 1,000 shares, but that 500 shares have been reacquired by this company at an average price of approximately $15.50 per share from such original directors who have resigned, or from the estates of directors who have died, and therefore that the maximum amount of new stock which would be required for the above purpose is 500 shares. Whereupon, after a general discussion, it was voted that the officers of this company be, and they

are, authorized to offer to sell at $10 per share, from the number of shares of the common stock of Nebraska Power Co. owned by this company not exceeding 1,250 shares of said stock to such members of the board of directors of said company as are not now owners of such stock pursuant to any arrangement with this company, with a maximum number of 250 shares to be sold to each such director, to be subject, however, to a written agreement that this company shall have the right at any time to repurchase the same at $25 per share, and, further, that in the event of acceptance of this offer by any or all of such directors, the officers be, and they are, authorized to dispose of said stock accordingly from the stock now owned by this company. 2845 2846

2847

Exhibit 34

MINUTES RELATING TO ORGANIZATION OF MINNESOTA POWER & LIGHT COMPANY

2848

Excerpt from Minutes of the board of directors of the American Power & Light Co., June 2, 1922

The chairman reported that, subject to the approval of the board, he had reached an agreement with certain of the larger common stockholders of Duluth Edison Electric Co., Duluth, Minn., whereby this company would acquire their holdings in exchange for the 6 per cent preferred stock of this company on the basis of 1.64 shares of this com-
2849 pany's preferred stock for each share of said Duluth Co.'s common stock. He stated that the Duluth property had been operated for a number of years under the supervision of Electric Bond & Share Co., and that he and others of the officers and members of the board of this company were very familiar with that situation. He further stated that the capitalization of the company consisted of $1,171,000 principal amount of first mortgage bonds in the hands of the public, $1,150,000 par value of 6 per cent preferred stock and $500,000 par value of common stock, of which $492,200 par
2850 value was with the public; that the earnings as reported for the 12 months ended April 30, 1922, applicable to the 5,000 shares of common stock, after allowing $144,045 for ordinary and extraordinary depreciation in addition to the usual maintenance and upkeep charges, were $130,676, which equaled $26.13 per share for the common stock, and that if the entire number of 4,922 shares should be acquired it would call for the issuance of 8,072 shares of this company's preferred stock on which the annual dividend would amount to $48,432.

Exhibit 34

He also further stated that in order to assure the exchange on the above-mentioned basis of as many shares as possible, and preferably all, he had agreed, subject to the approval of the board to pay Bonbright & Co. (Inc.), the sum of $2,500 for its services in effecting exchanges, plus its reasonable out-of-pocket expenses, and a further sum of $7,500 if all of said stock should be so exchanged prior to December 1, 1922. 2851

Whereupon, after a general discussion, it was voted that this board hereby approves and ratifies in all respects the action taken by the chairman in negotiating for the exchange of the 6 per cent preferred stock of this company for the common stock of Duluth Edison Electric Co., as reported to this meeting, and that the officers of this company be and they are authorized to take all action which may be necessary or desired to effectuate and conclude the same. 2852

E. P. SUMMERSON, *Secretary.*

2853

2854

Exhibit 35

2855

TOTAL OPERATING REVENUES

AMERICAN COMPANY SUBSIDIARIES INCLUDING NON-UTILITY COMPANIES

(opposite page)

2856

Exhibit 35 953

TOTAL OPERATING REVENUES

AMERICAN COMPANY SUBSIDIARIES INCLUDING NON-UTILITY COMPANIES

12 MONTHS ENDED DECEMBER 31, 1934

Company	State	Electric	Gas	All Other Revenues	Total	Less Inter-departmental Eliminations	Total Operating Revenues
Central Arizona Light and Power Co.	Arizona	$ 2,209,328	$ 509,602	$ —	$ 2,718,930	$ 3,215	$ 2,715,715
Florida Power & Light Co.	Florida	9,032,592	755,104	1,041,969	10,829,665	184,246	10,645,419
Consumers Water Co.	Florida	—	—	104,318	104,318	—	104,318
Miami Beach Railway Co., The	Florida	—	—	447,361	447,361	—	447,361
Miami Water Co.	Florida	—	—	590,431	590,431	—	590,431
St. Augustine Co.	Florida	—	—	38,788	38,788	—	38,788
Kansas Gas and Electric Co.	Kansas	5,040,643	—	—	5,040,643	—	5,040,643
	Missouri	84,102	—	—	84,102	—	84,102
Minnesota Power & Light Co.	Minnesota	5,253,969	—	57,124	5,311,093	—	5,311,093
Montana Power Co., The	Montana	7,542,154	1,211,146	298,637	9,051,937	149,346	8,902,591
	Idaho	109,077	—	—	109,077	—	109,077
Idaho Transmission Co.	Idaho	25,263	—	—	25,263	—	25,263
Montana Reservoir and Irrigation Co.	—	—	—	48,049	48,049	—	48,049
Montana Power Gas Co.	Montana	—	962,614	—	962,614	—	962,614
Nebraska Power Co.	Nebraska	6,466,772	—	—	6,466,772	—	6,466,772
Citizens Power & Light Co.	Iowa	819,053	—	—	819,053	—	819,053
New Mexico Electric Service Co.	New Mexico	86,594	—	—	86,594	—	86,594
Northern Power Co.	Wisconsin	312,152	—	—	312,152	—	312,152
Northwestern Electric Co.	Oregon	2,363,860	—	289,819	2,653,679	—	2,653,679
	Washington	876,716	—	—	876,716	—	876,716
Pacific Power & Light Co.	Oregon	1,623,256	—	7,084	1,630,340	39,419	1,590,921
	Washington	2,438,586	—	31,584	2,470,170	1,552	2,468,618
Inland Power & Light Co.	Oregon	19,800	—	—	19,800	—	19,800
	Washington	543,241	—	—	543,241	—	543,241
Portland Gas & Coke Co.	Oregon	—	2,944,230A	—	2,944,230	—	2,944,230
	Washington	—	73,419A	—	73,419	—	73,419
Superior Water, Light and Power Co.	Wisconsin	500,834	224,806	191,687	917,327	12,373	904,954
Texas Electric Service Co.	Texas	6,505,873	—	—	6,505,873	—	6,505,873
Texas Power & Light Co.	Texas	9,100,223	—	—	9,100,223	—	9,100,223
Texas Public Utilities Corp.	Texas	74,839	329,575	689,330	1,093,744	10,266	1,083,478
Washington Water Power Co., The	Washington	5,209,879	—	72,182	5,282,061	6,015	5,276,046
	Idaho	1,489,336	—	79,110	1,568,446	14,318	1,554,128
Chelan Electric Co.	Washington	220,903	—	—	220,903	—	220,903
	Idaho	148,087	—	—	148,087	—	148,087
Spokane Central Heating Co.	Washington	—	—	171,571	171,571	—	171,571
Spokane United Railways	Washington	—	—	804,964	804,964	—	804,964
Malakoff Fuel Co.	Texas	—	—	850,268	850,268	—	850,268
Total		$68,097,132	$7,010,496	$5,814,276	$80,921,904	$ 420,750	$80,501,154
Less—Intercompany Eliminations		—	—	—	—	—	4,535,274
Total Operating Revenues		—	—	—	—	—	$75,965,880

A—Includes briquets, by-products, etc.

Exhibit 36

ORGANIZATION AND CAPITALIZATION OF ELECTRIC COMPANY AND CERTAIN OF ITS HOLDING AND OPERATING SUBSIDIARIES

2860

A.

As stated in Article VII of this stipulation, Electric Company was organized in 1925 as successor to Utah Securities Corporation and, at organization, acquired securities of other corporations previously held by Bond and Share. This exhibit contains a description of the organization and capitalization of Electric Company and the companies
2861 which form the Electric Company System (exclusive of United Company and its subsidiaries, which are described in Exhibit 38).

B. *Utah Securities Corporation*

During 1912, as manager and principal participant in a syndicate, Bond and Share caused Utah Securities Corporation to be organized and to acquire securities in fourteen electric utility companies operating in Utah and Colorado.

To consolidate these properties, Utah Securities
2862 Corporation, through the agency of Bond and Share, and as part of a single plan, organized (1) Utah Power Company, an operating company, (2) The Western Colorado Power Company, an operating company, (3) Utah Power & Light Company, a holding- operating company, holding all the voting securities of both the Utah Power Company and The Western Colorado Power Company.

Utah Securities Corporation through the agency of Bond and Share caused the operating companies

whose securities it had acquired to convey their properties to these new companies and received securities of the Utah Power & Light Company as consideration for such transfer, dissolving the former operating companies. To provide the cash required for these transactions and to consolidate and improve the properties, the subscribers to the syndicate purchased from Utah Securities Corporation $27,000,000 in aggregate principal amount of 6% Ten-Year Notes and received 270,000 shares of common stock of the corporation for $27,000,000 in cash. Bond and Share purchased, as a member of the syndicate, approximately $3,000,000 of these notes, receiving $100 par value of common stock for each $100 note. The remainder of the notes were then delivered to the subscribers therefor, who also received $100 in par value of common stock with each subscription for a $100 note. Bond and Share also received for its services, as manager of the syndicate, an additional 25,000 shares of common stock of Utah Securities Corporation and $201,900 in cash. Throughout its history Utah Securities Corporation paid no dividends upon its common stock. Interest was regularly paid on the notes, which were redeemed at their face value at maturity. On dissolution Utah Securities Corporation transferred the securities held by it in Utah Power & Light Company to Electric Power & Light Corporation in exchange for common stock of the latter corporation and cash in an amount sufficient to enable the Utah Company to deliver four shares of the common stock of the Electric Company and pay $10 in cash to each holder of one share of the common stock of the Utah Company.

2863

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2865

Exhibit 36

2866 Subsequent to the acquisition of its initial holdings of stock in Utah Securities Corporation, and prior to March, 1925, Bond and Share from time to time acquired additional common stock of Utah Securities Corporation (1) by purchases for cash on the market, (2) in exchange for securities of other utility companies, and (3) in exchange for its own securities. Immediately preceding the transfer of its holdings to Electric Company in 1925, Bond and Share held 56,193 shares of common stock which represented approximately 18% of the voting securities of Utah Securities Corporation.

2867 Since the time of its organization, Utah Power & Light Company has acquired a number of electric utility properties located in Utah and Colorado from Utah Securities Corporation through the agency of Bond and Share, or through an officer or employee of Bond and Share, or directly from non-affiliated third parties, in part for cash and in part for its own securities.

Since 1913, Bond and Share or Ebasco has performed general services of the character described in articles XIII, XIV and XV for all of the operating companies in this group, and Bond and Share

2868 performed services for Utah Securities Corporation, as a holding company of the character described in articles XIII, XIV and XV until its dissolution in 1925. In 1923, Utah Power & Light Company entered into the standard operating company service contract. At the time of the organization of Electric Company, nine of fifteen directors of Utah Securities Corporation, substantially all of the officers and members of the Executive Committee were either directors or officers of Bond and Share.

Exhibit 36

C. *Power Company and Idaho Power Company* 2869

In 1914 acting at the request of owners of securities of certain electric companies operating in southern Idaho and eastern Oregon, Bond and Share on behalf of a syndicate of these owners of such securities and becoming itself a member of such syndicate, caused to be organized National Securities Corporation which acquired the bonds and debt obligations held by such former owners of electric utilities operating in southern Idaho and eastern Oregon. Most of these companies were in receivership. Their properties were sold at judicial 2870
sales, and National Securities Corporation, acting through the agency of Bond and Share, caused Idaho Power Company to be organized to acquire title to these properties after such judicial sales of the properties in receivership and private sales of the properties of the companies not in receivership. (The immediate purchaser of such properties was a corporation formed as interim holder of title under the name of Electric Investment Company). National Securities Corporation received in liquidation of the debt securities which it had acquired in the former operating companies and its cash in- 2871
vestment all the then outstanding voting securities, certain notes and other securities of the newly organized Idaho Power Company. At the conclusion of the organization of National Securities Corporation, Bond and Share received (in the same proporition as other subscribers to notes) 10,250 shares of common stock in connection with its subscription for 6% Ten-Year Notes and 20,000 shares of common stock for its services in

2872 organizing the company, representing approximately 21% of the stock ownership in the company. It thereafter acquired by purchase from other syndicate members who desired to dispose of their interests additional securities, both voting and non-voting, of National Securities Corporation.

In 1919, National Securities Corporation was reorganized through the agency of Bond and Share, Power Company being formed as its successor. Upon the completion of this reorganization Bond and Share held 65.6% of the voting securities of Power Company.

2873 Since 1914, all of these companies have been serviced by Bond and Share or Ebasco (except that Power Company has received no services since November 22, 1935), the Idaho Power Company entering into the standard Bond and Share form of operating company service contract in 1922.

D. *New Orleans Public Service Inc.*

In 1922 Bond and Share, acting at the request of creditors of and investors in the New Orleans Railway & Light Company, which was then in financial difficulties, became manager and

2874 principal participant in a syndicate which purchased blocks of common and preferred stock in the company which was the predecessor of New Orleans Public Service Inc. Exercising an option in 1923, Bond and Share bought out the holdings of the other members of the syndicate, and in 1924 purchased from the New Orleans Company additional common stock for a cash consideration of approximately $9,000,000. In 1925, at the time of the organization of Electric Company, Bond and

Share held 652,729 shares of common stock out of 686,735 shares outstanding. 2875

E. *Dallas Power & Light Company*

In 1919, Bond and Share purchased two-thirds of the outstanding common stock of Dallas Power & Light Company. From 1919 to 1925, Bond and Share made various other purchases of securities of Texas utility companies, at which time all these securities were transferred to Electric Company.

F. *Organization of Electric Company*

2876

In 1925, as principal participant and manager of a syndicate, Bond and Share caused to be organized Electric Company which, upon its organization, acquired all the assets and assumed all the liabilities of Utah Securities Corporation, and acquired the holdings of Bond and Share in the other companies described in the preceding paragraphs of this exhibit. The securities so transferred, their cost to Bond and Share, and the consideration received by Bond and Share therefor are set out in the following table:

2877

Exhibit 36

Securities Transferred to Electric Company	*Net Cash Investment of Bond and Share at Date of Transfer*	*Consideration Received by Bond and Share*
56,193 shares of Utah Securities Corporation Common Stock.	$618,123	$561,930 in cash. 224,77 shares of common stoc of Electric Company.
Securities of Power Securities Corporation, New Orleans Public Service Inc., Dallas Power & Light Co., Dallas Railway and Terminal Company and Texas Interurban Railway and certain miscellaneous securities.	$21,085,424	$25,448,512 in cash. $440, 564 — cancellation c claim held by Utah Se curities Corporatio against Bond and Share 310,000 shares of com mon stock of Electri Company (255,26 shares of which were de livered to other securit holders as hereinafte stated). 800,000 optio warrants (442,080 o which were delivered t other security holders a hereinafter stated).

Bond and Share also subscribed to 120,000 shares of second preferred stock of the Electric Company at $94 per share and immediately sold 110,520 shares of this stock, together with 55,260 shares of common stock of Electric Company, to certain of its officers, directors and employees and to other parties that might prove helpful to it as participants in the syndicate, at a price of $94 for one share of preferred and one-half share of common.

As part of the organization agreement, the investment bankers who participated in the syndicate

Page Tightly Bound

received 400,000 shares of $7 preferred stock and 200,000 shares of the common stock of the Electric Company (the common stock being contributed by Bond and Share) for which they paid to the Electric Company $94 per unit of one share of preferred and one-half share of common. This stock was immediately thereafter sold to the public for $102 per unit. At the completion of the organization of Electric Company, Bond and Share owned 299,772 shares of its common stock and 50,000 shares of its preferred stock representing 16.9% of the outstanding voting securities of that company, and 320,000 option warrants to purchase additional common stock. 2881 2882

Immediately following and as part of this exhibit is a copy of the minutes of Bond and Share relevant to the formation of Electric Company.

G. *Arkansas Power & Light Company—Mississippi Power & Light Company—Louisiana Power & Light Company.*

In 1925 Electric Company, through the agency of Bond and Share, acquired the securities of utility companies operating in Arkansas, Mississippi and Louisiana from the following four principal sources: 2883

(1) From the Southern Power & Light Company, all its assets consisting largely of securities of companies operating in Arkansas, Louisiana and Mississippi, in exchange for $10,820,350 of the preferred and common stock of Electric Company.

(2) From National Power & Light Company, the common stock of Arkansas Central Power Company, Intercity Terminal Railway Company, and

Exhibit 36

Little Rock Railway and Electric Company for
2884 $4,000,000 in cash.

(3) From Bond and Share itself, securities of South New Orleans Light & Traction Company and of West New Orleans Light & Traction Company for $901,772.42 in cash.

(4) Various properties in Louisiana, Arkansas and Mississippi from non-affiliated interests, purchased in the name of an officer of Bond and Share for Electric Company, with money advanced by Bond and Share.

2885

Arkansas Power & Light Company.

In 1926, Electric Company, through the agency of Bond and Share, organized the Arkansas company under the laws of Arkansas and caused to be transferred to it all the Arkansas properties above mentioned. In consideration for this transfer and for the cancellation of various obligations, Electric Company received all the common stock (except directors' qualifying shares), and bonds, and a majority of the preferred stock, of
2886 the new company. Shortly thereafter, Bond and Share sold these bonds for Electric Company, receiving for its services in connection with the issuance and sale of such bonds a commission of 1½% of the principal amount thereof. At a later date, substantially all of the preferred stock so acquired was sold to the public. From the sale of such bonds and preferred stock, Electric Company realized approximately 73% of its investment in these properties.

Exhibit 36

Louisiana Power & Light Company.

2887

In August, 1927, Electric Company, through the agency of Bond and Share, organized the Louisiana company under the laws of Florida and caused to be transferred to it substantially all the Louisiana properties above mentioned. In consideration for this transfer and for the cancellation of various obligations, Electric Company received all the common and preferred stock of the new company and its 6% demand notes. The notes were shortly thereafter converted into bonds, as provided for at their issue, and sold by Bond and Share, which received for its services in connection with the issuance and sale of such bonds a commission of 1½% of the principal amount thereof. At a later date, approximately 53% of the preferred stock was sold to the public, the remainder still being retained by Electric Company.

2888

Mississippi Power & Light Company.

In August, 1927, Electric Company, through the agency of Bond and Share, organized the Mississippi company under the laws of Florida and caused to be transferred to it most of the Mississippi properties above mentioned. In consideration for the transfer and for the cancellation of various obligations, Electric Company received all the common and preferred stock of the new company and its 6% demand notes. The notes were shortly thereafter converted into bonds, as provided for at their issue, and sold by Bond and Share, which received for its services in connection with the issuance and sale of such bonds a commission of 1½% of the principal amount thereof. At a later date, approximately 39% of the preferred stock of this company was sold to the public, the remainder still being retained by Electric Company.

2889

Exhibit 36

MINUTES OF BOND AND SHARE RELATING TO THE ORGANIZATION OF ELECTRIC COMPANY

2890

Minutes of a meeting of the Board of Directors of Electric Bond and Share Company held March 11, 1925:

The Chairman referred to the holdings of this Corporation in Power Securities Corporation, New Orleans Public Service, Inc., Dallas Power & Light Company, Dallas Railway Company and Texas Interurban Railway, stating that they had been
2891 acquired for the most part in connection with reorganizations of operating utilities with the view of eventually vesting them in some holding or investment company somewhat in the manner followed in the case of American Power & Light Company and similar companies. He pointed out that Electric Bond and Share Company, with its limited capital, could not expect to keep as a permanent investment holdings of this character and magnitude and as such holder provide the substantial amount of additional money needed from time to time to expand such operating properties to meet the
2892 demands for increased service. He stated that plans had been under consideration for a very considerable length of time, and particularly since the acquisition of New Orleans Public Service Inc. common stock, for the organization of a new holding or investment company whose security holders would have the benefit of the geographical, climatic and industrial diversity afforded by the operating companies involved. He recommended the present formation of such a company in conjunction with

Utah Securities Corporation and outlined a plan that had been discussed with the parties interested, 2893
which was substantially as follows:

That a corporation would be organized under the laws of the State of Maine and that Utah Securities Corporation reorganize by turning over all its assets to this Corporation, subject to all of its liabilities, for a sum in cash equal to $10. plus four shares of the New Company's common stock for each share of common stock of Utah Securities Corporation outstanding; that this New Corporation would acquire from Electric Bond and Share Company substantially all of its holdings in Power 2894
Securities Corporation, New Orleans Public Service Inc., Dallas Power & Light Company, Dallas Railway Company and Texas Interurban Railway (Utilities Finance Corporation) the price to be paid as of December 31, 1924 to be approximately $25,500,000. cash, plus approximately 50,000 shares of the new company's common stock and 320,000 option warrants to purchase additional common stock at $25. per share; that the New Corporation would raise the funds to carry out the reorganization of Utah Securities Corporation and the purchase from Electric Bond and Share Company of 2895
additional holdings as well as funds for the development, extension and improvement of the operating properties, through the sale to the public through some banking house or houses employed for the purpose, at $100. per share and accrued dividends of 400,000 shares of voting preferred stock (carrying cumulative dividends at the rate of $7. per share per annum), 40% of the purchase price

to be paid immediately and the balance in 10%
2896 instalments on call; that the purchaser of each one share of such preferred stock, upon payment therefor in full, would also receive one-half share of common stock, of the New Company. He stated that the parties interested had agreed that it would be very beneficial to the plan to have someone purchase for cash approximately 120,000 shares of second preferred cumulative stock at approximately $94 per share, with which would be delivered 60,000 shares of common stock and 480,000 option warrants to buy additional common stock at $25. per
2897 share, with the right to surrender second preferred stock at $100. per share and accrued in payment for such common stock in connection with the warrants. He stated that if the Board approved the sale of Electric Bond and Share Company's holdings in these companies, as outlined, he would also like to have the Board's authority to purchase this second preferred stock, not for the purpose of holding more than a small portion, if any thereof, but for the purpose of distribution of all or a substantial part thereof to officers, directors and employees of Electric Bond and Share Company and the other com-
2898 panies interested and to other persons, firms and corporations that might prove helpful to the Electric Bond and Share Company and the new company. He also stated that his desire to purchase approximately 50,000 shares of such preferred stock for distribution in like manner.

He stated that Electric Bond and Share Company holds certain Income Bonds of New Orleans Public Service Inc. and certain First Mortgage Bonds of Dallas Railway Company and Dallas Terminal

Exhibit 36

Corporation, which could later be disposed of on advantageous terms through public offering, and, consequently, it was planned to retain these rather than to vest them in the New Company, and that the price of approximately $25,500,000.00 was intended to cover only the following; 2899

Power Securities Corporation

Second Preferred Stock	16,412.765	Shares
Common Stock	119,478	
Collateral Trust Bonds 6s	$ 318,600	
Secured Income Bonds 6s	1,556,300	

2900

New Orleans Public Service Inc.

Common Stock (or voting trust certificate therefor)	652,729.725	Shares

Dallas Power & Light Company

Preferred Stock	8	"
Common Stock	113,750	"

Dallas Railway Company

Preferred Stock	5,000	"
Common Stock	20,500	"
Demand Notes 7s	$ 575,000	
Demand Notes 6s	150,000	
Income Notes 6s	2,529,868.59	

2901

Texas Interurban Railway Company

Preferred Stock	10,000	Shares
Common Stock	15,000	"
Notes 6s, 1932	$2,500,000	

Dallas Hotel Company

Common Stock	15	Shares

Exhibit 36

	Dallas Ice Factory		
2902	7 % Mortgage Notes	$ 70,000	
	Dallas Power & Light Company Inc. N. Y.)		
	Capital Stock	5	Shares
	New Orleans Public Service Inc. (N. Y.)		
	Capital Stock	5	"
	Advance to C. E. Calder	$ 7,500	

2903 After discussion and on motion duly made, seconded and carried, it was

RESOLVED that the general plans of the officers of this Corporation with respect to certain of the holdings of this Corporation in securities of Power Securities Corporation, Dallas Power & Light Company, New Orleans Public Service Inc., Dallas Railway Company and Texas Interurban Railway Company as outlined by the Chairman be, and the same hereby are, approved in principle; and further

2904 * * * * *

RESOLVED that the officers of this Corporation be, and they hereby are, authorized to sell the following securities of this Corporation for such price as may be approved by the officers of this Corporation, not less than $25,000,000 cash as of December 31, 1924, plus the delivery to this Corporation of 50,000 shares of common stock of the New Corpora-

tion to be formed to take over the assets of Utah Securities Corporation and not less than 300,000 option warrants of the said New Corporation to buy additional common stock at $25. per share. 2905

Power Securities Corporation

Second Preferred Stock	16,412.765	Shares
Common Stock	119,478	
Collateral Trust Bonds 6s	$ 318,600	
Secured Income Bonds 6s	1,556,300	

New Orleans Public Service Inc.

Common Stock (or voting Trust Certificate Therefor)	652,729.725	Shares

2906

Dallas Power & Light Company

Preferred Stock	8	Shares
Common Stock	113,750	"

Dallas Railway Company

Preferred Stock	5,000	"
Common Stock	20,599	"
Demand Notes 7s	575,000	"
Demand Notes 6s	150,000	
Income Notes 6s	2,529,868.59	

2907

Texas Interurban Railway Company

Preferred Stock	10,000	Shares
Common Stock	15,000	"
Notes 6s, 1932	$2,500,000	

Dallas Hotel Company

Common Stock	15	"

Dallas Ice Factory

7% Mortgage Notes	$ 70,000	

Exhibit 36

Dallas Power & Light Company
2908 Inc. (N. Y.)
Capital Stock 5 Shares

New Orleans Public Service
Inc. (N. Y.)
Capital Stock 5 "

Advance to C. E. Calder $ 7,500

and further

RESOLVED that the officers of this Corporation
2909 be, and they hereby are authorized to purchase from the New Corporation, either directly or through such investment bankers as are employed to make a public offering (a) 120,000 shares of second preferred stock at $94. per share, plus accrued dividends, with which will be delivered 60,000 shares of common stock and 480,000 option warrants to buy common stock at $25. per share; and (b) not to exceed 75,000 shares of preferred stock of said New Company, and to distribute, at the cost thereof, to such persons, firms and corporations as the Chairman shall select, all or any part
2910 of the preferred stock, second preferred stock and other securities so purchased. It was further

RESOLVED that the officers of this Corporation be and they are hereby authorized to take all steps and do all things necessary to complete the formation of the New Company and the reorganization of Utah Securities Corporation and the sale of the specified assets of this Corporation to such New Company, all substantially in accordance with

Exhibit 36

the plans outlined by the Chairman at this meeting. 2911

Minutes of Special Meeting of the Board of Directors of Electric Power & Light Corporation held March 13, 1925:

March 12, 1925

Electric Power & Light Corporation,
New York City,
New York. 2912

Gentlemen:

In connection with the proposed reorganization of Utah Securities Corporation through the transfer, assignment and delivery of all or substantially all of its properties and assets to you, I hereby submit to you the following offer:

If you will:

(1) Issue to or in connection with the order of Electric Bond and Share Company 2913 such portion of 1,541,004 shares of your full-paid and non-assessable Common Stock as are not needed for purpose of carrying out said reorganization of Utah Securities Corporation as herein provided, and also issue to or in accordance with the order of Electric Bond and Share Company 800,000 option warrants for your Common Stock in the form attached hereto;

(2) As a part of the Plan of Reorganization of Utah Securities Corporation enter into an agreement with said Corporation substantially in form attached hereto;

(3) Pay to me or in accordance with my instructions, the sum of $28,128,512 in cash and release your right as successor to the assets of Utah Securities Corporation to receive from Electric Bond and Share Company sums due or that may be due on account of duplicate supervision fees collected by it for a certain period in the past amounting in the aggregate to approximately $440,564.81;

(4) Execute and deliver an agreement with Bankers Trust Company, depositary, in the form attached hereto;

(5) Execute and deliver to Messrs. Bonbright & Co., Inc. a letter in the form attached hereto;

I will, in consideration therefor

(a) cause Electric Bond and Share Company to transfer and deliver to you the securities and assets shown in Exhibit C attached hereto:

(b) cause Electric Bond and Share Company to purchase at $94.00 a share and accrued dividend 120,000 shares of your Second Preferred Stock, Series "A" and to pay therefor in full in cash on April 7, 1925 or

Exhibit 36

as soon thereafter as said stock is ready for delivery; 2917

(c) cause Allotment Certificates for 400,000 shares of your Preferred Stock to be taken on the terms set out in form of Allotment Certificate attached hereto and the initial payment of 40 % of the Allotment price to be made not earlier than April 7 and not later than April 20;

(d) cause Electric Bond and Share Company to enter into a supervision agreement with you in form attached hereto marked Exhibit D; 2918

(e) cause 200,000 shares of the Common Stock of your company to be made available for delivery under the terms of the Allotment Certificate and so that you may deliver it to Bankers Trust Company under the form of letter attached.

Upon your acceptance, the foregoing will constitute a contract between us.

2919

Yours very truly,

L. B. DeBuys.

Accepted this day of March, 1925.

ELECTRIC POWER & LIGHT CORPORATION

by

Exhibit 36

March 12, 1925.

2920

Electric Bond and Share Company,
71 Broadway,
New York City.

Gentlemen:

If you will:

(a) transfer and deliver to Electric Power & Light Corporation, as of December 31, 1924, the securities and assets shown in Exhibit A
2921 attached hereto, which it is understood include 6714.395 shares of Common Stock of New Orleans Public Service Inc. (or Voting Trust Certificates therefor), acquired by you subsequent to December 31, 1924 through reinvestment of dividends received on New Orleans Public Service Inc. Common Stock for a period prior to December 31st;

(b) enter into a supervision agreement with said Corporation in form attached hereto marked Exhibit B;

2922

(c) purchase at $94.00 per share and accrued dividend 120,000 shares of Second Preferred Stock Series "A" of Electric Power & Light Corporation and pay therefor in full in cash at such time not earlier than April 1, 1925, as I may request, provided said stock shall then be available for delivery in temporary or definitive form;

Exhibit 36

(d) cause 200,000 shares of the Common Stock of Electric Power & Light Corporation to be made irrevocably available for delivery to the purchasers of the Preferred Stock of said Corporations in accordance with the terms and provisions of the Allotment Certificate, a copy of which is attached hereto, 2923

I will, in consideration therefor;

(a) pay to you, on April 1, 1925, $25,448,512.00. If not paid on said date, said amount shall thereafter carry interest at 6% per annum until paid. You shall have the right to retain for your own account all interest and dividends paid on the securities shown in the attached list prior to midnight March 31, 1925; 2924

(b) release you or cause you to be released from the obligations, if any, that you may be under to reimburse Utah Securities Corporation, or Electric Power & Light Corporation, as its successor, for or on account of sums collected by you through supervision fees amounting to approximately $440,564.81.

2925

(c) cause said Electric Power & Light Corporation to issue to you or in accordance with your orders 310,000 shares of its full-paid and non-assessable Common Stock without nominal or par value and 800,000 option warrants to purchase Common Stock in form attached hereto.

Exhibit 36

2926 Your acceptance hereof will constitute this an agreement between us to be performed as soon as circumstances will permit.

Yours very truly,

(Sgnd) Lucien W. deBuys

Accepted this 13th day of
March, 1925

ELECTRIC BOND AND SHARE COMPANY
by (Sgd) F. B. Odlum, Vice President.

2927

2928

Exhibit 37 977

TOTAL OPERATING REVENUES

ELECTRIC COMPANY SUBSIDIARIES INCLUDING NON-UTILITY COMPANIES

12 MONTHS ENDED DECEMBER 31, 1934

Company	State	Electric	Gas	All Other Revenues	Total	Less Inter-departmental Eliminations	Total Operating Revenues
Arkansas Power & Light Co.	Arkansas	$ 5,914,091	$ 264,185	$ 1,305,182	$ 7,483,458	$ 76,392	$ 7,407,066
Capital Transportation Co.	Arkansas	—	—	—	—	—	—
Inter-City Terminal Railway Co.	Arkansas	—	—	100,477	100,477	—	100,477
Dallas Power & Light Co.	Texas	5,217,544	—	—	5,217,544	—	5,217,544
Dallas Railway & Terminal Co.	Texas	—	—	2,303,811	2,303,811	15,378	2,288,433
Idaho Power Co.	Idaho	3,769,750	—	—	3,769,750	—	3,769,750
	Oregon	342,959	—	—	342,959	—	342,959
Nevada Power Co.	Nevada	17,157	—	—	17,157	—	17,157
Salmon River Power & Light Co.	Idaho	28,764	—	—	28,764	—	28,764
Louisiana Power & Light Co.	Louisiana	4,461,930	850,954	228,640	5,541,524	14,370	5,527,154
Pelican Power Co.	Louisiana	49,619	—	27,400	77,019	5,922	71,097
Louisiana Rapid Transit Co.	Louisana	—	—	14,822	14,822	—	14,822
Mississippi Power & Light Co.	Mississippi	3,652,070	971,911	219,601	4,843,582	30,644	4,812,938
New Orleans Public Service Inc.	Louisiana	7,491,965	4,184,397	4,487,207	16,163,569	1,019,333	15,144,236
Jefferson Bus Lines, Inc.	Louisiana	—	—	18,072	18,072	—	18,072
Utah Power & Light Co.	Utah	7,660,076	—	99,607	7,759,683	6,934	7,752,749
	Idaho	751,873	—	—	751,873	—	751,873
	Wyoming	140,339	—	—	140,339	—	140,339
Utah Light and Traction Co.	Utah	—	—	999,245	999,245	—	999,245
Western Colorado Power Co., The	Colorado	488,422	—	—	488,422	—	488,422
Bountiful Light and Power Co.	Utah	9,830A	—	—	9,830	—	9,830
United Gas Public Service Co.	Alabama	—	181,664	—	181,664	—	181,664
	Florida	—	110,806	—	110,806	—	110,806
	Louisiana	—	6,036,678	481,507	6,518,185	56,424	6,461,761
	Mississippi	—	527,389	—	527,389	9,883	517,506
	Texas	—	8,512,877	184,993	8,697,870	5,760	8,692,110
	Mexico	—	311,194	—	311,194	—	311,194
Cia Mexicana de Gas, S. A.	Mexico	—	619,270	—	619,270	—	619,270
Desiard Development Co., Inc., The	Louisiana	—	2,228	—	2,228	—	2,228
Houston Gulf Gas Co.	Texas	—	3,002,429	14,494	3,016,923	386	3,016,537
Houston Gas and Fuel Co.	Texas	—	2,053,502	—	2,053,502	—	2,053,502
Northern Texas Utilities Co.	Texas	—	877,535	—	877,535	—	877,535
	Oklahoma	—	184	—	184	—	184
Southern Gas & Fuel Co.	Louisiana	—	1,869,660	—	1,869,660	—	1,869,660
Southern Gas Utilities, Inc.	Texas	—	472,421	—	472,421	—	472,421
Southern Gas Co.	Texas	—	2,097,645	—	2,097,645	—	2,097,645
United Production Corp.	Texas	—	451,118	818,462	1,269,580	90,124	1,179,456
Duval Texas Sulphur Co.	Texas	—	—	791,363	791,363	—	791,363
Total		$39,996,389	$33,398,047	$12,094,883	$85,489,319	$1,331,550	$84,157,769
Less—Intercompany Eliminations		—	—	—	—	—	9,655,873
Total Operating Revenues		—	—	—	—	—	$74,501,896

A—From date of acquisition October 1, 1934 to December 31, 1934 only.

Exhibit 38

2932 ## ORGANIZATION AND CAPITALIZATION OF UNITED COMPANY AND CERTAIN OF ITS HOLDING AND OPERATING SUBSIDIARIES

A.

As stated in article VIII of this stipulation, United Company was organized in 1930, through the agency of Bond and Share, to acquire the voting securities of Louisiana Gas & Fuel Company and United Gas Company for the purpose of bringing under common control the properties of numerous
2933 gas utility companies and welding them into a single interconnected system. This exhibit contains a description of some of the constituent companies which formed United Company and of the organization and capitalization of United Company and companies in the system which were subsequently organized.

B. *Louisiana Gas & Fuel Company.*

Electric Company first invested in gas properties in 1926 when, in exchange for its own securities,
2934 it acquired, through employees or officers of Bond and Share, acting as agents, substantially all of the voting securities of the Gas and By-Products Company, which owned or controlled several gas producing companies operating in Louisiana and Texas. Shortly thereafter, in the same manner, Electric Company acquired, for cash, properties of other companies operating in the same area. In April 1929, Electric Company, through the agency of Bond and Share, organized Louisiana Gas & Fuel

Exhibit 38

Company which (upon organization) acquired gas properties and securities of gas utility companies owned or controlled by Electric Company and by the Palmer Corporation of Louisiana, the latter holding extensive gas interests in Louisiana. At the time of its organization, Louisiana Gas & Fuel Company issued the following securities in exchange for such properties and securities: 2935

	Electric Company	*Palmer Interests*	*Total*
Second Preferred Stock $7, No Par Value (shares)	37,000	13,000	50,000
Common Stock, No Par Value (shares)	740,000	260,000	1,000,000
6% Debentures Principal Amount	$14,800,000	$5,200,000	$20,000,000

2936

Electric Company transferred to one of its directors, for his services in connection with these transactions, 5,000 shares of common stock, 1,000 shares of second preferred and $75,000 principal amount of 6% debentures, all of Louisiana Gas & Fuel Company. From the securities issued to it, the Palmer interests immediately transferred to Bond and Share 119,710 shares of common stock in consideration for preferred stock of Bond and Share. Shortly after the organization of Louisiana Gas & Fuel Company, Electric Company acquired, for cash, the debentures and preferred stock issued to the Palmer interests. 2937

Exhibit 38

C. *United Gas Corporation.*

2938 In March, 1930, the United Gas Company, which was then an unaffiliated company, and which for some time had been developing properties in Texas and which owned the securities of numerous gas utility companies operating in that state, purchased certain properties of the Magnolia Gas Company and the Latex Gas Company for a total consideration of $50,262,103.30. The cash required for this purchase was obtained by means of a 7% short term loan made by Bond and Share. Bond and Share, without additional consideration, received
2939 300,000 shares of the common stock of United Gas Company which was immediately converted into securities of United Gas Corporation in connection with the re-organization which resulted in the formation of United Gas Corporation as hereinafter described.

United Company (United Gas Corporation) was organized at this time by Bond and Share pursuant to a plan and agreement to acquire the securities of United Gas Company and Louisiana Gas & Fuel Company. The securities of the United Company were issued in exchange for the securities of the
2940 United Gas Company and all the securities of the Louisiana Gas & Fuel Company. As part of the organization agreement, Electric Company undertook to furnish the cash necessary to liquidate the outstanding indebtedness of United Company to Bond and Share.

Shortly after its incorporation, United Company purchased for cash from the Southern Natural Gas Corporation a pipe line running from central Mississippi into Florida.

Exhibit 38

D. *United Gas Public Service Company.*

2941

In August, 1930, the United Pipe Line Corporation (the present United Gas Public Service Company) was organized through the agency of Bond and Share to acquire substantially all of the assets of United Company, issuing to that company in return the following securities:

6% debentures due July 1, 1951	$70,000,000
$6 First Preferred Stock	200,000 shares
$6 Second Preferred Stock	300,000 shares
Common Stock	2,500,000 shares

2942

The assets of United Company so acquired by United Gas Public Service Company consisted in the securities of over forty gas utility companies and companies operating gas properties in the State of Texas. Subsequent to the organization of United Gas Public Service Company, which itself owned directly the major part of the properties in its system, its subsidiaries were merged and consolidated into six gas utility companies, whose securities it now holds as indicated in Exhibit 20.

2943

E. Among the assets of United Company which it did not transfer to United Gas Public Service Company, as stated in paragraph D, were 46% of the outstanding voting securities of Mississippi River Fuel Corporation, operating a natural gas pipe line from Louisiana to St. Louis.* Voting securities representing controlling interests in this corporation are held by interests other than United Company, and Bond and Share has never rendered general services to it.

---

* United Company also acquired and owned for a time securities representing 27% of the outstanding voting securities of El Paso Natural Gas Company. These securities were optioned to outside interests in 1931 and placed in escrow. Subsequent to December 1, 1935, and prior to date of this stipulation, this option, as extended, was exercised by the purchaser without further action by United Company, and the securities were taken down from the escrow by the purchaser.

Exhibit 39

2944 **ORGANIZATION AND CAPITALIZATION OF NATIONAL COMPANY AND CERTAIN OF ITS HOLDING AND OPERATING SUBSIDIARIES**

A.

As stated in article IX of this stipulation, National Company was organized December 7, 1925, as a result of a consolidation of a predecessor company having the same name and United Investors Securities Company, a corporation formed through the agency of Bond and Share as a vehicle for the acquisition by National Company of the
2945 stock of the old Carolina Power & Light Company. This exhibit contains a description of the organization of the constituent companies which formed National Company and of the organization and capitalization of Lehigh Company (control of which was acquired by National Company in 1928) and certain of the operating subsidiaries of National Company.

B. *National Power & Light Company (predecessor to the present National Company)*

2946 The original National Company was incorporated December 23, 1921, and, through the agency of Bond and Share, subsequently acquired securities of companies operating in Texas, Arkansas, Alabama and Tennessee that had been controlled by American Cities Company. The latter company had been in receivership. The securities acquired by National Company were acquired following the approval and adoption of a plan for the re-organization of American Cities Company. Bond and Share did

not own any securities of American Cities Company and no officer of Bond and Share was an officer of American Cities Company. National Company, through the agency of Bond and Share, also acquired securities of Memphis Gas and Electric Company (also in receivership), which company was not associated with American Cities Company. 2947

Bond and Share caused the incorporation of the original National Company and received common stock of that company for cash, in payment for its services, as a commission for participating in the underwriting of National Company securities, and in exchange for sundry securities transferred to National Company. It disposed of certain of the stocks so acquired by it to certain of its officers and directors, to certain officers, directors and employees of National Company and its subsidiary operating companies and to others as sub-participants in the reorganization plan, and retained 19,408 shares of common stock, representing about 16% of the then outstanding voting securities of National Company. On Deecmber 7, 1925, as stated above, the original National Power & Light Company and United Investors Securities Company were consolidated to form the present National Power & Light Company. 2948 2949

C. *Carolina Power & Light Company (old).*

In 1908 Carolina Power & Light Company (originally incorporated as Central Carolina Power Company) was organized by Bond and Share pursuant to a plan to consolidate the properties of electric companies operating in Raleigh, Buckhorn Falls and Sanford, North Carolina, in which companies Bond and Share held a stock interest. Upon the com-

pletion of the organization of Carolina Power &
2950 Light Company and the acquisition of such properties, Bond and Share held approximately 30% of its outstanding voting securities. Bond and Share rendered services to Carolina Power & Light Company of the character described in article XIV of this stipulation from the date of its organization until its dissolution in 1926.

From time to time between 1908 and 1925, Bond and Share purchased for the account of the former Carolina Power & Light Company securities of other electric companies operating in North Carolina and South Carolina. It caused certain of such
2951 companies to acquire securities or properties of other companies operating in the same or adjacent territories and caused certain of the securities or properties so acquired by it to be transferred to new corporations organized by it. From time to time prior to 1925, it transferred all of the securities of companies so acquired by it to Carolina Power & Light Company or associated companies at a price in cash or stock equal to the cost to it plus a carrying charge. Throughout this period until 1925 it retained approximately 34% of the
2952 outstanding voting securities of Carolina Power & Light Company. In 1925 common stock of Carolina Power & Light Company owned by Bond and Share and others was acquired by United Investors Securities Company, as hereinafter stated.

D. *Organization of National Company*

In 1925, pursuant to an agreement of merger and consolidation, Bond and Share caused the present National Company to be organized, which, upon its

organization, acquired all the assets of the original National Power & Light Company and all of the assets of United Investors Securities Corporation, a corporation which was organized for the purpose of such merger and consolidation and which for such purpose acquired approximately 98% (including that acquired from Bond and Share) of the common stock of Carolina Power & Light Company. The new National Company exchanged its common stock for the common stock of its constituent companies on the basis of fifteen shares of new stock for one share of old stock. As a result of such merger and consolidation, Bond and Share received (on the same basis as other holders of stock in the constituent companies) 525,240 shares of common stock, representing approximately 21 % of the outstanding voting securities of the new National Company. 2953 2954

E. *Carolina Power & Light Company (present company)*

Shortly after the organization of the new National Company in 1925, that company transferred all of the common stock of Carolina Power & Light Company (old company) held by it, together with the securities of other electric companies operating in North Carolina which had been purchased by Bond and Share and sold by it, at cost, to the old National Company to Pigeon River Power Company, a company owning electric properties in North and South Carolina, all of the preferred and common stock of which was then held in the name of nominees of Bond and Share. In consideration for these transfers, the new 2955

National Company received a note, preferred stock
2956 and substantially all of the common stock of Pigeon River Power Company. In 1926, Pigeon River Power Company and all of its subsidiaries (whose stock had been acquired by it from National Company, as above stated) were merged into a new corporation known as Carolina Power & Light Company, National Company receiving 15,075 shares of preferred stock and all of the common stock of the new company, representing substantially all of the outstanding voting securities of said company. The transfers, mergers and stock
2957 sales described in this paragraph was all effected through the agency of Bond and Share.

F. *Lehigh Company*

Lehigh Company was organized in 1917, by a syndicate of which Bond and Share was syndicate manager, to acquire securities of electric, gas and traction companies in Pennsylvania. The securities so acquired were of companies in which Bond and Share had had no previous ownership, and no Bond and Share officer had been a director of any
2958 of the companies whose securities were acquired. In payment for its services in connection with the organization and financing of the Lehigh Company, Bond and Share received approximately 40,000 shares of common stock of the company, representing about 13 % of its outstanding voting securities. Subsequent to the date of its organization and up to November 25, 1935, Bond and Share rendered services to Lehigh Company and its subsidiaries of the same character as those rendered by it to other serviced holding and operating companies, and Ebasco

has rendered such services to such operating subsidiaries since November 25, 1935. 2959

In January, 1926, through the agency of Bond and Share, the original Lehigh Company and United Securities Company were consolidated into the present Lehigh Company, the common stock of the old Lehigh Company being exchanged for common stock of the new Lehigh Company on the basis of ten shares of stock of the new company for each share of stock of the original company.

National Company, under a plan and agreement of reorganization dated January 25, 1928, acquired more than a majority of the $6 preferred stock and more than a majority of the common stock of Lehigh Company through the exchange of its $6 preferred stock and common stock on a share-for-share basis for the $6 preferred stock and common stock, respectively, of the Lehigh Company. Subsequently, from time to time, additional shares of preferred and common stock of National Company were issued in exchange for stock of the Lehigh Company and at the end of 1935 approximately 99½% of each class of Lehigh Company stock had thus been acquired by National Company. 2960 2961

G. In the years indicated in the following table National Company (or its predecessor, the original National Power & Light Company) through the agency of Bond and Share, organized the following utility companies (except Houston Lighting & Power Company, the securities of which were acquired from non-affiliated interests) and transferred or caused to be transferred to each such company the properties or securities of utility

2962 companies which were owned or controlled by it, having been acquired either at the time of the organization of the original National Company in 1921 or by subsequent purchase for cash or securities.

Houston Lighting & Power Company (change of name only)	1922
Memphis Power & Light Company	1922
Arkansas Central Power Company	1923
Birmingham Electric Company	1924
Tennessee Public Service Company	1925
West Tennessee Power & Light Company	1928

2963 National Company (or its predecessor) acquired, in the first instance, all of the outstanding common stocks and, in some cases, the preferred stocks and long-term indebtedness, of such companies. It sold the long-term indebtedness except that of West Tennessee Power & Light Company, and (except for Tennessee Public Service Company) all of the preferred stocks of such companies to the public from time to time over a period of years, retaining the common stock. In 1925, the old National Company sold all of the securities then held by it in Arkansas Central Power Company and other investments to the defendant Electric Company for $4,000,000 in cash.

2964

H. In 1925 the old National Company acquired for cash all of the voting securities of South Texas Utilities Company, and in 1926 and 1928, respectively, the new National Company acquired for cash all of the voting securities of Holston River Electric Company and Roanoke River Power Company.

Exhibit 40

TOTAL OPERATING REVENUES

NATIONAL COMPANY SUBSIDIARIES INCLUDING NON-UTILITY COMPANIES

12 MONTHS ENDED DECEMBER 31, 1934

Company	State	Electric	Gas	All Other Revenues	Total	Less Inter-departmental Eliminations	Total Operating Revenues
Birmingham Electric Co.	Alabama	$ 3,968,033	$ —	$2,144,001	$ 6,112,034	$ 180,947	$ 5,931,087
Carolina Power & Light Co.	North Carolina	7,551,230	—	317,205	7,868,435	7,316	7,861,119
	South Carolina	1,740,970	—	—	1,740,970	—	1,740,970
Holston River Electric Co.	Tennessee	44,090	—	—	44,090	—	44,090
Houston Lighting & Power Co.	Texas	8,357,432	—	—	8,357,432	—	8,357,432
Memphis Power & Light Co.	Tennessee	4,165,749	2,233,013	—	6,398,762	36,029	6,362,733
Memphis Street Railway Co., The	Tennessee	—	—	1,832,666	1,832,666	—	1,832,666
South Texas Utilities Co.	Texas	—	—	86,327	86,327	—	86,327
Tennessee Public Service Co.	Tennessee	2,230,919	—	605,598	2,836,517	43,944	2,792,573
West Tennessee Power & Light Co.	Tennessee	528,161	152,082	93,783	774,026	13,858	760,168
Lehigh Valley Transit Co.	Pennsylvania	499,200	—	1,504,615	2,003,815	—	2,003,815
Lehigh Valley Transportation Co.	Pennsylvania	—	—	316,927	316,927	—	316,927
	New Jersey	—	—	73,737	73,737	—	73,737
Pennsylvania Power & Light Co.	Pennsylvania	31,555,712	1,864,132	618,613	34,038,457	—	34,038,457
Carlisle Gas and Water Co., The	Pennsylvania	331,964	91,798	—	423,762	—	423,762
Columbia Gas Co. (The)	Pennsylvania	—	65,689	—	65,689	—	65,689
East Penn Transportation Co.	Pennsylvania	—	—	271,090	271,090	—	271,090
Hazle Township Water Co.	Pennsylvania	—	—	3,246	3,246	—	3,246
Hummelstown Water Supply Co.	Pennsylvania	—	—	25,541	25,541	—	25,541
Lehighton Electric Light and Power Co.	Pennsylvania	142,512	—	—	142,512	—	142,512
North Branch Development Co.	Pennsylvania	—	407,062	—	407,062	—	407,062
Pine Grove Electric Light, Heat & Power Co.	Pennsylvania	51,585	—	—	51,585	—	51,585
Shenandoah Light, Heat and Power Co. (The)	Pennsylvania	—	31,491	—	31,491	—	31,491
Susquehanna Gas Co.	Pennsylvania	—	185,300	—	185,300	—	185,300
Valley Railways	Pennsylvania	—	—	147,162	147,162	—	147,162
Valley Transportation Co.	Pennsylvania	—	—	73,039	73,039	—	73,039
Wrightsville Water Supply Co.	Pennsylvania	—	—	9,816	9,816	—	9,816
Total		$61,167,557	$5,030,567	$8,123,366	$74,321,490	$ 282,094	$74,039,396
Less—Intercompany Eliminations		—	—	—	—	—	2,523,944
Total Operating Revenues		—	—	—	—	—	$71,515,452

Exhibit 41

2968 **STOCKS VOTED AT ANNUAL MEETINGS**

Table A

AMERICAN COMPANY

	Dates of Stockholders' Meetings	1932	1933	1934	1935
	Total Outstanding Shares	4,781,553	4,782,074	4,782,413	4,872,621
2969	Total Shares Voted at Meeting.	2,744,304	2,516,156	2,454,781	2,504,995
	Shares Voted by Proxies Representing the Management.				
	(a) Total	2,744,304	2,515,155	2,454,646	2,504,995
	(b) By Bond & Share	989,049	989,049	989,049	989,053
	(c) By Other Persons	1,755,255	1,526,106	1,465,597	1,515,942
2970	Shares Represented by Proxies Other Than the Management	—	1,001	35	—
	Shares Voted in Person.	—	—	100	—

Exhibit 41

Table B

2971

ELECTRIC COMPANY

ates of ockholders' eetings	1932	1933	1934	1935
tal Outstanding Shares	4,095,671	4,159,792	4,182,093	4,190,150
tal Shares Voted at Meeting	2,379,478	2,490,511	2,420,517	2,473,588
ares Voted by Proxies Representing the Management				
(a) Total	2,379,478	2,490,511	2,420,384	2,473,583
(b) By Bond and Share	1,968,515	1,578,917	1,968,516	1,977,123
(c) By Other Persons	410,963	911,594	451,868	496,460
ares Represented by Proxies Other Than the Management	—	—	—	—
ares Voted in Person	—	—	133	5

2972

2973

Page Tightly Bound

Exhibit 41

2974

STOCKS VOTED AT ANNUAL MEETINGS

2975

TABLE C

NATIONAL COMPANY

(opposite page)

2976

Exhibit 41 (Continued)

Table C

NATIONAL COMPANY

Dates of Stockholders' Meetings.	1931	1932	1933	1934	1935
Total Outstanding Votes	5,449,801	5,452,401	5,455,884	5,456,117	5,456,117
Total Shares Voted at Meeting	4,216,366	4,077,059	4,163,316	4,049,592	4,091,054
Shares Voted by Proxies Representing the Management					
(a) Total	4,216,366	4,077,059	4,161,216	4,048,592	4,091,034
(b) By Bond & Share	2,540,433	2,540,433	2,540,435	2,540,437	2,540,438
(c) By Other Persons	1,675,933	1,536,626	1,620,781	1,508,155	1,550,596
Shares Represented by Proxies Other Than the Management.	.....	.....	.....	.....	.....
Shares Voted in Person	.....	.....	2,100	1,000	20

Exhibit 41 (Continued)

2980

STOCKS VOTED AT ANNUAL MEETINGS

2981

TABLE D

UNITED COMPANY

(opposite page)

2982

Exhibit 41

Table D

UNITED COMPANY

Dates of Stockholders' Meetings.	1931	1932	1933	1934	1935
Total Outstanding Votes.	9,091,597	10,429,478	10,477,157	10,477,157	10,477,157
Total Votes Cast at Meeting.	6,329,943x	7,818,735*	8,052,397**	7,937,518**	7,942,389**
Shares Voted by Proxies Representing the Management.					
(a) Total	6,329,943	7,540,122	8,050,232	7,926,437	7,940,059
(b) By Bond and Share	278,366	450,040	728,366	728,326	752,666
(c) By Electric Company	5,120,805	6,448,155	6,448,155	6,448,155	6,448,155
(d) By Other Persons	930,772	641,927	873,711	749,956	739,238
Shares Represented by Proxies Other Than the Management.	.....	.....	1,779	10,936	2,170
Shares Voted in Person	.....	278,613(1)	386	145	160

---

x 1,929,000 votes represented by 643,000 shares Second Preferred Stock, each share of which is entitled to three votes.

* 2,653,830 votes represented by 884,610 shares Second Preferred Stock, each share of which is entitled to three votes.

** 2,654,040 votes represented by 884,680 shares Second Preferred Stock, each share of which is entitled to three votes.

(1) Includes 278,326 shares voted in person by Bond and Share.

Exhibit 42

DISTRIBUTION OF STOCK HOLDINGS OF VOTING SECURITIE

SCHEDULE A

AMERICAN COMPANY

December 6, 1935

(opposite page)

Exhibit 42 (Continued)

DISTRIBUTION OF STOCK HOLDINGS OF VOTING SECURITIES

SCHEDULE A

AMERICAN COMPANY

December 6, 1935

		Number of Stockholders	Number of Shares
1. Owned by Bond and Share			
Bond and Share	770,901		
Harry J. Wiegand	164,558		
Frank L. Smiley	53,594		
		1	986,053
2. Owned by Persons owning 11,000 or more shares connected or formerly connected with the Management of Bond and Share			
S. Z. Mitchell	161,768		
E. W. Hill	15,496		
		2	177,264
3. Owners of over 50,000 Shares Other than Bond and Share and S. Z. Mitchell			
Sun Life Assurance Company of Canada	78,270		
A. Iselin & Company	70,563		
W. A. & A. M. White	57,818		
Barnes & Company	51,462		
		4	258,113
4. 38 Persons own over 11,000, less than 50,000 Shares *		38	706,453
5. 30,119 Persons own less than 11,001 Shares		30,119	2,651,822
Total		30,164	4,782,705

* Omits E. W. Hill listed under 2 above.

Exhibit 42 (Continued)

2992

2993

DISTRIBUTION OF STOCK HOLDINGS OF VOTING SECURITIES

SCHEDULE B

NATIONAL COMPANY

November 4, 1935

(opposite page)

2994

Exhibit 42 (Continued)

SCHEDULE B

NATIONAL COMPANY

November 4, 1935

		Number of Stockholders	Number of Shares
1. Owned by Bond and Share			
Bond and Share	915,604		
Robert Pulleyn (nominee)	102,800		
Harold F. Sanders (nominee)	742,335		
Richard E. Schumacher (nominee)	213,150		
Frank L. Smiley (nominee)	8,000		
George H. Toepfer (nominee)	228,380		
Harry F. Wiegand (nominee)	330,168		
		1	2,540,437
2. Owners of over 100,000 shares other than Bond and Share			
Lehigh Coal & Navigation Co.			700,000
Philadelphia & Reading Coal & Iron Co.			
		2	115,000
3. Owners of more than 5,000, less than 100,001 shares			
Connected or formerly connected with the management of Bond and Share:			
S. Z. Mitchell	63,100		
Alice B. Groesbeck	14,100		
E. W. Hill	11,385		
		3	88,585
43 other persons		43	444,815
4. 18,579 owners of less than 5,001 shares		18,579	1,567,280
Total		18,628	5,456,117

Exhibit 42 (Continued)

2998

2999

DISTRIBUTION OF STOCK HOLDINGS OF VOTING SECURITIES

SCHEDULE C

ELECTRIC COMPANY

October 25, 1935

(opposite page)

3000

Exhibit 42 (Continued)

SCHEDULE C

ELECTRIC COMPANY

October 25, 1935

		Number of Stockholders	Number of Shares
1. Owned by Bond and Share			
Bond and Share	1,075,948		
Harold F. Sanders (nominee)	389,118		
Frank L. Smiley "	287,035		
C. M. Hamilton "	194,713		
Harry J. Wiegand "	32,567		
		1	1,979,381
2. Owners of over 20,000 Shares Other than Bond and Share			
A. Iselin & Company			40,536
E. A. Pierce & Company			32,569
Hayden, Stone & Company			29,161
J. S. Bache & Company		4	23,359
3. 40 Persons own over 5,100, less than 20,001 shares *		40	346,991
4. 31,246 Persons own less than 5,101 Shares		31,246	1,736,565
Total		31,291	4,188,562

* Includes 5,625 shares owned by Alice B. Groesbeck.

Exhibit 42 (Continued)

3004

3005

DISTRIBUTION OF STOCK HOLDINGS OF VOTING SECURITIES

SCHEDULE D

UNITED COMPANY

May 31, 1935

(opposite page)

3006

Exhibit 42 (Continued)

SCHEDULE D

UNITED COMPANY

May 31, 1935

	Number of Stockholders	Number of Shares	Number of Votes
1. Owned by Bond and Share			
Bond and Share 302,626			
Michael Gerome 450,000			
	1	752,626	752,626
2. Owned by Electric Company *	1	4,679,696	6,448,916
3. Owners of over 40,000 shares other than Bond and Share and Electric Company			
Clarence H. Walker		107,031	107,031
Lee & Company		98,248	98,248
Cudd & Company	3	62,772	62,772
4. 40 persons own more than 7,000, less than 40,001 shares	40	496,810	496,810
5. 23,553 persons own less than 7,001 shares **	23,553	2,506,456	2,506,596
Total	23,598	8,703,639	10,472,999

* Includes 884,610 shares of second preferred entitled to three votes per share.

** Includes 70 shares of second preferred entitled to three votes per share.

Exhibit 43

3010

OFFICERS AND DIRECTORS BOND AND SHARE SYSTEM EXCLUSIVE OF AMERICAN GAS SYSTEM

Schedule A: Tabulation by name of officers and directors who held positions in two or more companies in the system, showing positions held.

Table 1.—December 31, 1928
Table 2.—December 31, 1934
Table 3.—December 31, 1935
Table 4.—Summary of Tables 1, 2, and 3.

3011 Schedule B: Table showing the chairman of the board of directors or, if no chairman, the president of certain major companies in the Bond and Share system as of December 31, 1928, 1934 and 1935.

Schedule C: Tables showing members of executive committees of the boards of directors of principal holding and operating companies.

Table 1.—Members of the executive committees of principal holding companies, 1928 and 1934.
Table 2.—Affiliations of the members of the executive committees of principal operating companies in the
3012 American Company, Electric Company and National Company Systems.

Schedule D: Tabulations summarizing the positions held by directors in American, National and Electric Companies and their subsidiaries.

Table 1.—Directors in American Company System.
Table 2.—Directors in National Company System.
Table 3.—Directors in Electric Company System including United Gas and its subsidiaries.

Exhibit 43, Schedule A, Table 1

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1928

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Total Number of Offices	Total Number of Directorates and Offices
Abell, H. C.	D-VP	—	D-VP-Ex.Com.	D-P-Ex.Com.	—	—	3	1	3	2	9	6	15
Aller, H. L.	—	—	—	—	2	1	—	—	—	—	2	1	3
Bingaman, L. K.	—	—	—	—	—	—	—	—	—	2	—	2	2
Birkett, Miles W.	—	—	—	—	2	1	—	—	—	—	2	1	3
Bonbright, Irving W.	—	D	D	—	—	—	—	—	1	—	3	—	3
Brady, Nicholas F.	—	—	—	D-Ex.Com.	1	—	—	—	—	—	2	1	3
Brooks, W. M.	—	—	—	—	—	—	—	—	—	2	—	2	2
Brown, J. C.	—	—	—	—	—	—	—	—	3	—	3	—	3
Calder, C. E.	VP	—	—	—	—	—	1	1	—	—	1	2	3
Carpenter, J. W.	—	—	—	—	2	2	1	1	—	—	3	3	6
Carter, T. F.	—	—	—	—	—	—	—	—	—	2	—	2	2
Clark, Charles Martin	—	D	D	—	2	—	—	—	1	—	5	—	5
Couch, H. C.	—	—	D	—	—	—	3	3	—	—	4	3	7
Dahl, G. M.	—	—	—	—	—	—	1	—	1	—	2	—	2
Darbee, William	—	—	—	—	—	—	—	—	1	2	1	2	3
Davidson, J. E.	—	—	—	—	2	2	—	—	—	—	2	2	4
Davis, W. L.	—	—	—	—	—	—	—	—	—	5	—	5	5
Dicke, H. F.	—	—	—	—	—	—	—	—	3	3	3	3	6
Farrar, Frederick A.	D-VP	D	—	—	—	—	—	—	—	—	2	1	3
Feagin, Ralph B.	VP	—	—	—	1	1	1	—	1	1	3	3	6
Foering, H. A.	—	—	—	—	—	—	—	—	2	—	2	—	2
Frazier, George H.	—	—	—	D	—	—	—	—	1	—	2	—	2
Garret, L.	—	—	—	—	—	—	2	2	—	—	2	2	4
Grenier, A. S.	VP	D-VP	VP	—	3	6	2	2	1	1	7	12	19
Groesbeck, C. E.	D-VP-Ex.Com.	D-P	D-P-Ex.Com.	D-VP-Ex.Com.	7	—	1	1	5	1	24	6	30

Exhibit 43 (Continued)

3016

3017

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 1—*Continued*

TABULATION OF OFFICERS AND DIRECTORS WHO
HELD POSITIONS IN TWO OR MORE SYSTEM
COMPANIES ON DECEMBER 31, 1928

(opposite page)

3018

Exhibit 43, Schedule A, Table 1 (continued)

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1928

	Number of Offices and Directorates held in Subsidiaries of:										Total Number of		
	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Directorates	Offices	Directorates and Offices
Hackett, S. H.	—	—	—	—	—	—	—	—	2	2	2	2	4
Hall, E. K.	D	—	—	—	—	—	—	—	1	—	2	—	2
Hammond, L. P.	VP	—	—	—	1	1	—	—	1	—	2	2	4
Hawkes, T. B.	—	—	—	—	1	3	—	—	—	—	1	3	4
Hawkins, J. G.	—	—	—	—	1	4	—	—	—	—	1	4	5
Hayden, Charles	—	—	D-Ex.Com.	—	—	—	1	—	—	—	2	1	3
Head, W. B.	—	—	—	—	2	2	1	1	—	—	3	3	6
Hickman, G. J.	AT	AT	AT	AT	—	9	—	8	—	3	—	24	24
Hill, E. W.	D-VP	VP	VP	VP	3	12	1	10	1	8	6	34	40
Hodgson, W. S.	—	—	—	—	3	3	—	—	—	—	3	3	6
Howard, George H.	—	—	D	D	—	—	1	—	2	—	5	—	5
Huntington, D. L.	—	—	—	—	2	1	—	—	—	—	2	1	3
Inch, S. R.	D-VP	VP	—	—	1	1	3	3	—	—	5	6	11
Jones, R. H.	—	—	—	—	—	—	—	2	—	—	—	2	2
Laing, John A.	—	—	—	—	3	3	—	—	—	—	3	3	6
Lang, W. C.	ACompt.	ACompt.	ACompt.	ACompt.	1	—	—	2	1	1	2	7	9
McGee, D. F.	—	—	VP	—	3	3	3	5	—	—			
MacLane, John F.	—	—	—	—	—	—	—	2	—	—	6	9	15
Martin, H. L.	AS	AS	AS	AS	—	14	—	10	2	9	—	2	2
Mitchell, S. Z.	D-Ch. Bd. P-Ex. Com.	D-Ch. Bd. Ex. Com.	D-Ch. Bd. Ex. Com.	D-Ch. Bd. Ex. Com.	9	2	3	2	2	2	2	37	39
											18	10	28
Moylan, F. J.	—	—	—	—	—	2	—	—	—	—	—	2	2
Murphy, S. W.	—	—	—	VP	2	—	—	—	2	1	4	2	6
Odlum, F. B.	D-VP	—	—	VP	—	—	1	—	1	—	3	2	5
Parkhurst, L. H.	D-VP	—	—	—	—	1	—	3	—	3	1	8	9
Perkins, T. J.	—	—	—	—	—	—	—	—	—	2	—	2	2
Pierson, Lewis E.	D-Ex. Com.	—	—	D-Ex. Com.	—	—	—	—	—	—	2	2	4
Platt, C. W.	—	—	—	—	2	3	—	—	—	—	2	3	5
Post, Frank T.	—	—	—	—	2	1	—	—	—	—	2	1	3
Potter, William C.	D-Ex. Com.	—	D	D	—	—	—	—	—	—	3	1	4

Exhibit 43 (Continued)

3022

OFFICERS AND DIRECTORS
3023 BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 1—*Continued*

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1928

(opposite page)

3024

Exhibit 43, Schedule A, Table 1 (continued)

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1928

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Total Number of Offices	Total Number of Directorates and Offices
Ray, A. C.	T	T	T	T	—	13	—	10	—	12	—	39	39
Robertson, W. S.	—	—	—	—	3	3	—	—	—	—	3	3	6
Ryan, John D.	—	D-Ex. Com.	—	—	1	1	—	—	—	—	2	2	4
Ryburn, F. M.	—	—	—	—	1	—	1	—	—	—	2	—	2
Saunders, Paul H.	—	—	—	D	—	—	1	—	—	—	2	—	2
Sawyer, P. B.	VP	—	—	D-VP	—	—	—	—	6	6	7	8	15
Schweitzer, S. E.	—	—	—	—	—	2	—	—	—	—	—	2	2
Seay, Harry L.	—	—	—	—	1	0	1	1	—	—	2	1	3
Silliman, Frank, Jr.	D-VP	VP	—	—	5	6	—	—	1	—	7	8	15
Simonds, O. H.	—	—	—	—	—	—	1	1	2	1	3	2	5
Simpson, Alexander	AT	AT	AT	AT	—	5	—	7	—	8	—	24	24
Smith, A. E.	Compt.-AS	Compt.	Compt.	Compt.	—	—	1	1	—	1	1	6	7
Smith, Albert L.	—	—	—	—	—	—	—	—	3	—	3	—	3
Smith, R. H.	—	—	—	—	—	—	1	—	2	1	3	1	4
Snyder, Chester	—	—	—	—	—	—	—	—	2	—	2	—	2
Snyder, E. S.	—	—	—	—	—	—	—	—	—	—	—	—	—
Stearns, B. C.	—	—	—	—	—	3	—	—	—	—	—	3	3
Steele, H. J.	—	—	—	—	—	—	—	—	3	—	3	—	3
Stone, H. W.	—	—	—	—	—	—	—	—	—	—	—	—	—
Strauss, Frederick	D-Ex. Com.	—	D-Ex. Com.	—	1	1	—	—	—	—	3	3	6
Sweitzer, S. M.	—	—	—	—	—	—	—	—	—	2	—	2	2
Summerson, E. P.	S	S	S	S	1	13	2	11	2	12	5	40	45
Talbot, Guy W.	—	—	—	—	3	3	—	—	—	—	3	3	6
Thomas, George B.	—	—	—	—	—	—	—	3	—	—	—	3	3
Tidd, George N.	—	D	—	D	1	—	—	—	1	—	4	1	5
Tracy, E. B.	—	D-Ex. Com.	D	D	1	—	1	—	1	—	6	—	6
Trexler, H. C.	—	—	—	D	—	—	—	—	3	—	4	—	4
Wagner, Charles N.	—	—	—	—	—	—	—	—	—	3	—	3	3
Walker, J. B.	—	—	—	—	—	—	2	2	—	—	2	2	4
Wallace, William T.	—	—	—	D	—	—	2	1	—	—	3	1	4

Exhibit 43 (Continued)

3028

3029

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 1—*Continued*

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1928

(opposite page)

3030

Exhibit 43, Schedule A, Table 1 (continued)

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1928

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Total Number of Offices	Total Number of Directorates and Offices
Walter, C. M.	—	—	—	—	—	—	—	—	1	3	1	3	4
Walters, W. H.	—	—	—	—	—	—	—	—	2	—	2	—	2
Warriner, S. D.	—	—	—	D-Ex. Com.	—	—	—	—	1	—	2	1	3
White, Harold T.	—	D	—	—	1	—	—	—	—	—	2	—	2
Wilkinson, M. J.	—	—	—	—	—	4	—	—	—	—	—	4	4
Wise, J. S., Jr.	—	—	—	—	—	—	—	—	2	2	2	2	4
Worsham, J. A.	—	—	—	—	2	1	2	2	—	—	4	3	7
Young, E. M.	—	—	—	—	—	—	—	—	3	1	3	1	4
Totals	Dir. 13 Off. 24	Dir. 10 Off. 15	Dir. 11 Off. 15	Dir. 15 Off. 17	79	133	51	98	73	104	252	406	658

Exhibit 43 (Continued)

3034

3035

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 2

TABULATION OF OFFICERS AND DIRECTORS WHO HELD
POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON
DECEMBER 31, 1934

(opposite page)

3036

Exhibit 43, Schedule A, Table 2

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1934

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Total Number of Offices	Directorates and Offices
Aller, H. L.	—	VP	—	—	4	3	2	1	1	1	7	6	13
Bingaman, L. K.	—	—	—	—	—	—	—	—	—	2	—	2	2
Boykin, R. M.	—	—	—	—	3	1	—	—	—	—	3	1	4
Brooks, W. M.	—	—	—	—	—	—	—	—	—	2	—	2	2
Calder, C. E.	VP	—	—	—	—	—	1	—	—	—	1	1	2
Carpenter, J. W.	—	—	—	—	4	4	1	1	—	—	5	5	10
Clark, Charles Martin	—	D	D	—	3	—	1	—	1	—	7	—	7
Couch, C. P.	—	—	—	—	—	—	3	1	—	—	3	1	4
Couch, H. C.	—	—	D	—	—	—	4	3	—	—	5	3	8
Cowan, P. E.	D	—	—	—	2	—	—	—	1	—	4	—	4
Dale, W. J.	—	—	—	—	—	—	3	—	—	—	3	—	3
Darbee, William	—	—	—	—	—	—	—	—	2	1	2	1	3
Davidson, J. E.	—	—	—	—	2	2	—	—	—	—	2	2	4
Davis, S. L.	—	—	—	—	—	—	5	6	—	—	5	6	11
Dicke, H. F.	—	—	—	—	—	—	—	—	3	3	3	3	6
Dickerson, H. L.	—	—	—	—	1	—	4	4	—	—	5	4	9
Dixon, E. H.	—	—	—	—	—	13	—	12	—	7	—	32	32
Feagin, Ralph B.	—	—	—	—	—	—	1	—	1	—	2	—	2
Gadsby, G. M.	—	—	—	—	—	—	4	3	—	—	4	3	7
Garret, L.	—	—	—	—	—	—	2	2	—	—	2	2	4
Gill, Joe H.	—	—	—	VP	—	—	1	—	3	—	4	1	5
Graham, C. V.	D	D	—	—	—	—	1	—	1	—	4	—	4
Groesbeck, C. E.	D-Ch.Bd.Ex.Com.	D-Ch.Bd. Ex. Com.	D-Ch.Bd. Ex. Com.	D-Ch.Bd. Ex. Com.	1	—	2	2	3	2	10	8	18

Exhibit 43 (Continued)

3040

3041

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 2—*Continued*

TABULATION OF OFFICERS AND DIRECTORS WHO HELD
POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON
DECEMBER 31, 1934

(opposite page)

3042

Exhibit 43, Schedule A, Table 2 (continued)

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1934

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Total Number of Offices	Total Number of Directorates and Offices
Hanley, T. F.	—	—	—	—	—	2	—	—	—	—	—	2	2
Hargrove, R. H.	—	—	—	—	—	—	6	5	—	—	6	5	11
Head, W. B.	—	—	—	—	4	3	1	1	—	—	5	4	9
Hibbard, M. L.	—	—	—	—	3	3	—	—	—	—	3	3	6
Hickman, G. J.	AT	AT	AT	AT	—	1	—	4	—	1	—	10	10
Hill, E. W.	D-VP	—	—	—	—	4	—	3	—	2	1	10	11
Hincks, R. B.	—	—	—	—	2	—	1	—	—	—	3	—	3
Hull, R. E.	—	—	—	—	—	—	—	6	—	—	—	6	6
Inch, S. R.	D-P-Ex.Com.	D-P-Ex.Com.	D-P-Ex.Com.	D-P-Ex.Com.	1	—	2	2	2	—	9	6	15
Jones, R. H.	—	—	—	—	—	—	2	4	—	—	2	4	6
Kelley, C. F.	—	D-Ex.Com.	—	—	1	—	—	—	—	—	2	1	3
Laing, John A.	—	—	—	—	4	4	—	—	—	—	4	4	8
Lang, W. C.	Comp.	Comp.	Comp.	Comp.	—	—	—	2	2	1	2	7	9
Lee, E. B.	AS	VP-AS	VP-AS	VP-AS	—	—	—	2	—	1	—	7	7
Lee, P. Blair	—	—	—	—	—	—	—	—	3	—	3	—	3
Lewis, W. N.	—	—	—	—	—	1	—	—	—	1	—	2	2
McGowen, N. C.	—	—	—	—	—	—	7	7	—	—	7	7	14
McKee, Paul B.	—	—	—	—	4	4	—	—	—	—	4	4	8
MacKinnon, K. R.	—	—	—	—	—	—	2	3	—	—	2	3	5
Martin, H. L.	—	—	—	—	1	19	—	15	2	12	3	46	49
Mitchell, S. A.	D-Ch.Ex.Com.	D-Ex.Com.	—	—	—	—	—	—	—	—	2	2	4
Moylan, F. J.	—	—	—	—	—	2	—	—	—	—	—	2	2
Myers, George L.	—	—	—	—	1	3	—	—	—	—	1	3	4
Page, Roy	—	—	—	—	1	2	—	—	—	—	1	2	3
Parkhurst, L. H.	D-VP	—	—	—	—	—	—	—	—	1	1	2	3
Platt, C. W.	—	—	—	—	3	4	—	—	—	—	3	4	7
Potter, Wm. C.	D-Ex.Com.	—	D	D	—	—	—	—	1	—	4	1	5
Putnam, W. R.	—	—	—	—	3	—	—	—	—	—	3	—	3

Exhibit 43 (Continued)

3046

3047

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 2—*Continued*

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1934

(opposite page)

3048

Exhibit 43, Schedule A, Table 2 (continued)

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1934

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Offices	Directorates and Offices
Ray, A. C.	T	T	T	T	—	3	—	4	—	3	—	14	14
Rees, Tracy	—	—	—	—	—	—	—	—	—	3	—	3	3
Rice, W. M.	—	—	—	—	—	—	—	5	—	—	—	5	5
Ritchie, R. E.	—	—	—	—	—	—	3	1	—	—	3	1	4
Sanders, H. F.	—	—	—	—	—	13	—	12	—	10	—	35	35
Saunders, Paul H.	—	—	—	D	—	—	1	—	—	—	2	—	2
Sawyer, P. B.	VP	D	D	D-VP	1	—	2	—	6	5	12	7	19
Sayers, E. C.	—	—	—	—	—	—	—	—	3	—	3	—	3
Seay, Harry L.	—	—	—	—	1	—	1	1	—	—	2	1	3
Silliman, Frank, Jr.	VP	VP	—	—	3	4	1	—	2	—	6	6	12
Simpson, Alexander	AT	AT	AT	AT	—	2	—	3	—	3	—	12	12
Skelley, S. E.	—	—	—	—	1	3	—	—	—	—	1	3	4
Smith, R. H.	—	—	—	—	—	—	—	—	2	1	2	1	3
Snyder, Clater	—	—	—	—	—	—	—	—	3	—	3	—	3
Stearns, B. C.	—	—	—	—	—	4	—	—	—	—	—	4	4
Strange, J. V.	—	—	—	—	—	—	5	6	—	—	5	6	11
Strauss, Frederick	D-Ex.Com.	—	D	—	1	1	—	—	—	—	3	2	5
Stuart, Winchester	—	—	—	—	—	11	—	7	—	6	—	24	24
Sutton, L. V.	—	—	—	—	—	—	—	—	1	1	1	1	2
Summerson, E. P.	D-S	S	S	D-S	—	3	—	4	2	3	4	14	18
Sweitzer, S. M.	—	—	—	—	—	—	—	—	—	2	—	2	2
Talbot, Guy W.	—	—	—	—	4	1	—	—	—	—	4	1	5
Thomas, Geo. B.	—	—	—	—	—	—	4	4	—	—	4	4	8
Tidd, George N.	—	D-Ex.Com.	—	D	3	—	1	—	2	—	8	1	9
Tilney, A. A.	—	—	D-Ex.Com.	Ex-Com.	—	—	1	—	1	—	4	6	2
Tracht, L. V.	—	—	—	—	—	—	—	5	—	—	—	5	5
Tracy, E. B.	—	D	D-Ex.Com.	D-Ex.Com.	3	—	2	—	2	—	10	2	12
Turner, Wm. J.	—	—	—	D	—	—	—	—	1	—	2	—	2
Wallace, Wm. T.	—	—	—	D	—	—	2	1	1	—	4	1	5
Walter, C. M.	—	—	—	—	—	—	—	—	4	5	4	5	9
Walters, W. H.	—	—	—	—	—	—	—	—	3	—	3	—	3
Warriner, S. D.	—	—	—	D-Ex.Com.	—	—	—	—	1	—	2	1	3
Wilkinson, M. J.	—	—	—	—	—	4	—	—	—	—	—	4	4
Wise, J. S. Jr.	—	—	—	—	—	—	—	—	2	2	2	2	4
Worsham, J. A.	—	—	—	—	3	2	2	2	—	—	5	4	9
	Dir. 10 Off. 16	Dir. 9 Off. 13	Dir. 9 Off. 10	Dir. 12 Off. 10	68	126	81	144	62	81	251	403	654

Exhibit 43 (Continued)

3052

3053

OFFICERS AND DIRECTORS OF BOND AND SHARE SYSTEM, EXCLUSIVE OF AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 3

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1935

(opposite page)

3054

Exhibit 43, Schedule A, Table 3

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Ebasco Services Inc.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Offices	Offices and Directorates
Achenbach, C. H.	—	—	—	AS-T	—	—	—	—	—	1	1	1	2	3
Anderberg, A. N.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Ashworth, R. H.	—	—	—	—	—	—	—	2	—	—	—	2	—	2
Bailie, Earle	—	—	D	—	—	—	—	2	—	—	—	3	—	3
Bingaman, L. K.	—	—	—	—	—	—	—	—	—	—	2	—	2	2
Bird, F. W.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Brooks, W. M.	—	—	—	—	—	—	—	—	—	—	2	—	2	2
Buck, M. E.	—	—	—	—	—	1	1	—	—	—	—	1	1	2
Burnett, W. G.	—	—	—	—	—	—	3	—	—	—	—	—	3	3
Carpenter, J. W.	—	—	—	—	—	3	3	—	—	—	—	3	3	6
Carter, T. F.	—	—	—	—	—	—	—	—	—	—	2	—	2	2
Childs, R. B.	—	—	—	—	—	1	2	—	—	—	—	1	2	3
Clarke, H. O.	—	—	—	—	—	—	—	—	—	1	1	1	1	2
Corey, George R.	—	—	—	—	—	—	—	3	—	—	—	3	—	3
Couch, C. P.	—	—	—	—	—	—	—	3	1	—	—	3	1	4
Couch, H. C.	—	—	—	—	—	—	—	3	3	—	—	3	3	6
Dale, W. J.	—	—	—	—	—	—	—	3	—	—	—	3	—	3
Davidson, J. E.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Davis, S. L.	—	—	—	—	—	—	—	6	6	—	—	6	6	12
Davis, W. L.	—	—	—	—	—	—	—	—	—	—	2	—	2	2
Dicke, H. F.	—	—	—	—	—	—	—	—	—	3	3	3	3	6
Dixon, E. H.	—	—	D-S-T	—	—	—	—	1	2	—	—	2	3	5
Duncan, A. J.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Fiser, George D.	—	—	—	—	—	—	—	2	3	—	—	2	3	5
Foster, C. S.	—	—	—	—	—	—	3	—	—	—	—	—	3	3

Exhibit 43 (Continued)

3058

3059

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 3—*Continued*

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1935

(opposite page)

3060

Exhibit 43, Schedule A, Table 3 (continued)

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Ebasco Services Inc.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Total Number of Offices	Total Number of Directorates and Offices
Gadsby, G. M.	—	—	—	—	—	—	—	4	4	—	—	4	4	8
Garret, L.	—	—	—	—	—	—	—	2	2	—	—	2	2	4
Gill, Joe H.	—	—	D-Ch. Bd.-P	—	—	—	—	2	2	—	—	3	3	6
Gorman, G. D.	—	—	—	—	—	—	3	—	—	—	—	—	3	3
Grant, Rollin P.	—	—	D	—	—	—	—	2	—	—	—	3	—	3
Groesbeck, C. E.	D-Ch.Bd.Ex.Com.	—	—	—	D-Ch. Bd.	—	—	—	—	—	—	2	2	4
Gusdorf, M.	—	—	—	—	—	—	2	—	—	—	—	—	2	2
Hale, J. A.	—	—	—	—	—	—	—	2	—	—	—	2	—	2
Hanley, T. F.	—	—	—	—	—	—	2	—	—	—	—	—	2	2
Hargrove, R. H.	—	—	—	—	—	—	—	6	5	—	—	6	5	11
Head, W. B.	—	—	—	—	—	2	1	—	—	—	—	2	1	3
Hepburn, F. T.	—	—	D	—	—	—	—	1	—	—	—	2	—	2
Hibbard, M. L.	—	—	—	—	—	3	3	—	—	—	—	3	3	6
Hill, E. W.	—	—	D-VP	—	—	—	—	2	2	—	—	3	3	6
Hoffman, A. F.	—	—	AS-AT	—	—	—	—	—	2	—	—	—	3	3
Hogan, Stephen P.	—	—	—	—	—	—	2	—	—	—	—	—	2	2
Hollis, H. L.	—	—	D	—	—	—	—	1	—	—	—	2	—	2
Hoover, W. H.	—	—	—	—	—	2	—	—	—	—	—	2	—	2
Hull, R. E.	—	—	—	—	—	—	—	—	6	—	—	—	6	6
Inch, S. R.	D-P-Ex.Com.	—	—	—	D-P	—	—	—	—	—	—	2	2	4
Jones, R. H.	—	—	—	—	—	—	—	2	4	—	—	2	4	6
Kerr, Frank M.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Laing, John A.	—	—	—	—	—	3	3	—	—	—	—	3	3	6
Lang, W. C.	Compt.	—	—	—	Compt.	—	—	—	—	—	—	—	2	2
Lee, E. B.	—	—	—	D-VP	—	—	—	—	—	1	1	2	2	4
Lee, P. Blair	—	—	—	—	—	—	—	—	—	3	—	3	—	3
Lewis, Lewis A.	—	—	—	—	—	2	2	—	—	—	—	2	2	4

Exhibit 43 (Continued)

3064

3065

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 3—*Continued*

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1935

(opposite page)

3066

Exhibit 43, Schedule A, Table 3 (continued)

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Ebasco Services Inc.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Total Number of Offices	Total Number of Directorates and Offices
Link, E. T.	—	—	—	—	—	1	2	—	—	—	—	1	2	3
McCarron, P. A.	—	—	—	—	—	—	—	—	—	1	2	1	2	3
McGowen, N. C.	—	—	—	—	—	—	—	6	6	—	—	6	6	12
McKee, Paul B.	—	—	—	—	—	3	3	—	—	—	—	3	3	6
Marrs, G. R.	—	—	—	—	—	2	3	—	—	—	—	2	3	5
Marston, Hunter S.	—	—	D	—	—	—	—	1	—	—	—	2	—	2
Miller, W. F.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Morse, L. E.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Moylan, F. J.	—	—	—	—	—	—	2	—	—	—	—	—	2	2
Myers, George L.	—	—	—	—	—	1	3	—	—	—	—	1	3	4
Nowery, B. M.	—	—	—	—	—	—	—	2	—	—	—	2	—	2
Page, Roy	—	—	—	—	—	1	2	—	—	—	—	1	2	3
Parry, P. M.	—	—	—	—	—	—	—	3	3	—	—	3	3	6
Perkins, T. J.	—	—	—	—	—	—	—	—	—	—	2	—	2	2
Platt, C. W.	—	—	—	—	—	2	3	—	—	—	—	2	3	5
Post, Frank T.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Ray, A. C.	T	—	—	—	T	—	—	—	—	—	—	—	2	2
Rees, Tracy	—	—	—	—	—	—	—	—	—	—	3	—	3	3
Rice, W. M.	—	—	—	—	—	—	—	—	6	—	—	—	6	6
Ritchie, R. E.	—	—	—	—	—	—	—	3	1	—	—	3	1	4
Roberts, R. E.	—	—	—	—	—	—	2	—	—	—	—	—	2	2
Royer, J. E. E.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Ryan, John C.	—	—	—	—	—	2	1	—	—	—	—	2	1	3
Sawyer, P. B.	—	—	—	D-P	—	—	—	—	—	1	1	2	2	4
Sayers, E. C.	—	—	—	—	—	—	—	—	—	3	—	3	—	3
Scott, W. T.	—	—	—	—	—	1	2	—	—	—	—	1	2	3
Simpson, Alexander	—	—	—	D-S-T	—	—	—	—	—	1	1	2	2	4
Skelley, S. E.	—	—	—	—	—	1	3	—	—	—	—	1	3	4
Smith, David A.	—	—	—	—	—	—	—	2	—	—	—	2	—	2

Exhibit 43 (Continued)

3070

3071

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 3—*Continued*

TABULATION OF OFFICERS AND DIRECTORS WHO HELD POSITIONS IN TWO OR MORE SYSTEM COMPANIES ON DECEMBER 31, 1935

(opposite page)

3072

Exhibit 43, Schedule A, Table 3 (continued)

	Elec. Bond and Share Co.	Amer. Pr. & Lt. Co.	Elec. Pr. & Lt. Corp.	Nat. Pr. & Lt. Co.	Ebasco Services Inc.	Number of Offices and Directorates held in Subsidiaries of: Amer. Pr. & Lt. Co. Dir.	Amer. Pr. & Lt. Co. Off.	Elec. Pr. & Lt. Corp. Dir.	Elec. Pr. & Lt. Corp. Off.	Nat. Pr. & Lt. Co. Dir.	Nat. Pr. & Lt. Co. Off.	Total Number of Directorates	Total Number of Offices	Total Number of Directorates and Offices
Snyder, Chester	—	—	—	—	—	—	—	—	—	3	—	3	—	3
Strange, J. V.	—	—	—	—	—	—	—	6	6	—	—	6	6	12
Summerson, E. P.	D-S	—	—	—	S	—	—	—	—	—	—	1	2	3
Sweitzer, S. M.	—	—	—	—	—	—	—	—	—	—	2	—	2	2
Talbot, Guy W.	—	—	—	—	—	3	1	—	—	—	—	3	1	4
Thomas, George B.	—	—	—	—	—	—	—	4	4	—	—	4	4	8
Thomas, J. B.	—	—	—	—	—	1	2	—	—	—	—	1	2	3
Thomas, J. R.	—	—	—	—	—	1	2	—	—	—	—	1	2	3
Thomson, W. H.	—	—	—	—	—	3	3	—	—	—	—	3	3	6
Tracht, L. V.	—	—	—	—	—	—	—	—	5	—	—	—	5	5
Tracy, E. B.	—	—	D	—	—	—	—	2	—	—	—	3	—	3
Turner, William J.	—	—	—	D	—	—	—	—	—	1	—	2	—	2
Twelves, J. W.	—	—	—	—	—	—	—	—	2	—	—	—	2	2
Underhill, H. J.	—	—	—	—	—	2	2	—	—	—	—	2	2	4
Van Horn, J. E.	—	—	—	—	—	2	3	—	—	—	—	2	3	5
Wallace, William T.	—	—	—	D	—	—	—	—	—	1	—	2	—	2
Walter, C. M.	—	—	—	—	—	—	—	—	—	5	5	5	5	10
Walter, W. H.	—	—	—	—	—	—	—	—	—	3	—	3	—	3
Warriner, S. D.	—	—	—	D	—	—	—	—	—	1	—	2	—	2
Wilkinson, M. J.	—	—	—	—	—	—	3	—	—	—	—	—	3	3
Winslow, W. H.	—	—	—	—	—	1	1	—	—	—	—	1	1	2
Wiscombe, W. C.	—	—	—	—	—	—	2	—	—	—	—	—	2	2
Wise, J. S., Jr.	—	—	—	—	—	—	—	—	—	2	2	2	2	4
	Dir. 3 Off. 5	Dir. 0 Off. 0	Dir. 9 Off. 4	Dir. 6 Off. 4	Dir. 2 Off. 5	62	93	78	75	31	32	191	218	409

Exhibit 43 (Continued)

3076

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF AMERICAN GAS SYSTEM

SCHEDULE A, TABLE 4

SUMMARY OF SCHEDULE A

		December 31, 1928	December 31, 1934	December 31, 1935
(1)	Number of companies tabulated	44	57	58
3077 (2)	Number of offices and directorates tabulated			
	Directorates	500	591	521
	Offices	523	598	348
	Total	1023	1189	869
(3)	Number of officers and directors who held two or more of these positions	90	86	104
(4)	Number of these positions held by these officers and directors			
3078	Directorates	252	251	190
	Offices	402	395	219
	Total	654	646	409

SCHEDULE B

NAMES OF THE CHAIRMEN OF BOARDS OF DIRECTORS OR PRESIDENT IF NO CHAIRMAN IS PROVIDED FOR December 31, 1928, 1934, and 1935 *

NAME OF COMPANY	CHAIRMAN OF THE BOARD OR OTHER OFFICER AS INDICATED		
	December 31, 1928	December 31, 1934	January 1, 1936
Electric Bond and Share Company	S. Z. Mitchell	C. E. Groesbeck	C. E. Groesbeck
Ebasco Services Inc.			C. E. Groesbeck
American Company Group			
American Power & Light Company	S. Z. Mitchell	C. E. Groesbeck	H. L. Aller
Central Arizona Light & Power Company	H. L. Aller, Pres.	H. L Aller, Pres.	E. H. Coe, Pres.
Chelan Electric Company			F. T. Post, Pres
Citizens Power & Light Company	F. F. Everest, Pres.	F. F. Everest, Pres.	F. F. Everest, Pres.
Florida Power & Light Company	S. Z. Mitchell	G. C. Estill, Pres.	G. C. Estill, Pres.
Idaho Transmission Company			M. E. Buck, Pres.
Inland Power & Lgiht Company			H. S. Gray, Pres.
Kansas Gas & Electric Company	H. P. Wright, Pres.	H. P. Wright, Chairman	H. P. Wright
Minnesota Power & Light Co.	W. S. Robertson, Pres.	M. L. Hibbard, Pres.	M. L. Hibbard, Pres.
Montana Power Company, The	John D. Ryan, Pres.	Frank M. Kerr, Pres.	Frank M. Kerr, Pres.
Montana Power Gas Company			Frank M. Kerr, Pres.
Nebraska Power Company	Walter W. Head	J. E. Davidson, Pres.	J. E. Davidson, Pres.
New Mexico Electric Service Co.		W. B. Head	J. W. Carpenter, Pres.
Northern Power Company			M. L. Hibbard, Pres.
Northwestern Electric Co.	Guy W. Talbot, Pres.	Paul B. McKee, Pres.	Paul B. McKee, Pres.
Pacific Power & Light Co.	S. Z. Mitchell	Paul B. McKee, Pres.	Paul B. McKee, Pres.
Portland Gas & Coke Co.	C. F. Adams	Guy W. Talbot	Guy W. Talbot
Southwestern Power & Light Co.	C. E. Groesbeck		
Superior Water Light & Power Co.	D. F. McGee, Pres.	M. L. Hibbard, Pres.	M. L. Hibbard, Pres.
Texas Electric Service Company		A. J. Duncan, Pres.	A. J. Duncan, Pres.
Texas Power & Light Company	W. B. Head	W. B. Head	W. B. Head
Texas Public Utilities Corp.			J. W. Carpenter, Pres.
Washington Water Power Co.	D. L. Huntington, Pres.	Frank T Post	Frank T. Post

* Blank spaces opposite the name of companies indicate the company had ceased to function or the company was not at that time in the Bond and Share system.

Exhibit 43 (Continued)

3082

OFFICERS AND DIRECTORS

3083 BOND AND SHARE SYSTEM EXCLUSIVE OF AMERICAN GAS SYSTEM

SCHEDULE B—*Continued*

NAMES OF THE CHAIRMEN OF BOARDS OF DIRECTORS O
PRESIDENT IF NO CHAIRMAN IS PROVIDED FOR
December 31, 1928, 1934, and 1935

(opposite page)

3084

Page Tightly Bound

Exhibit 43, Schedule B (continued)

NAME OF COMPANY	CHAIRMAN OF THE BOARD OR OTHER OFFICER AS INDICATED		
	December 31, 1928	December 31, 1934	December 31, 1935
Electric Company Group			
Electric Power & Light Corporation	S. Z. Mitchell	C. E. Groesbeck	Joe H. Gill
Arkansas Power & Light Company	H. C. Couch	H. C. Couch	H. C. Couch
Bountiful Light & Power Company			G. M. Gadsby, Pres.
Dallas Power & Light Company	W. B. Head	W. B. Head	C. W. Davis, Pres.
Dallas Railway & Terminal Company	J. W. Carpenter, Pres	J. W. Carpenter, Pres.	W. R. Burns, V. P. Gen. Mgr
Houston Gas & Fuel Company		N. C. McGowen, V—P. Dir.	R. B. Creager, Pres.
Houston Gas Securities Co.		H. L. Dickerson, Pres.	Joe H. Gill, Pres.
Houston Gulf Gas Company		N. C. McGowen, Pres.	N. C. McGowen, Pres.
Idaho Power Co.	F. F. Johnson	F. F. Johnson	F. F. Johnson
Louisiana Power & Light Co.	H. C. Couch, Pres.	H. C. Couch, Pres.	H. C. Couch, Pres.
Mississippi Power & Light Co.	H. C. Couch, Pres.	H. C Couch, Pres.	H. C. Couch, Pres.
Motor Fuel Products Company			N. C. McGowen, Pres.
Nevada Power Company			K. M. Robinson, Pres.
New Orleans Public Service Co.	R. S. Hecht	A. B. Paterson, Pres.	A. B. Paterson, Pres.
Northern Texas Company			E. W. Hill, Pres.
Northern Texas Utilities Co.		N. C. McGowen, Pres.	N. C. McGowen, Pres.
Power Securities Corporation	S. Z. Mitchell	C. E. Groesbeck	Joe H. Gill
Southern Gas Company			N. C. McGowen, Pres.
Southern Gas & Fuel Company			N. C. McGowen, Pres.
Southern Gas Utilities, Inc.		N. C. McGowen, Pres.	N. C. McGowen, Pres.
United Gas Corporation		C. E. Groesbeck,	Joe H. Gill
United Gas Public Service Co.		N. C. McGowen, Pres.	N. C. McGowen, Pres.
United Production Corporation			N. C. McGowen, Pres.
Utah Light & Traction Company	E. O. Howard	E. O. Howard	E. O. Howard
Utah Power & Light Company	S. Z. Mitchell	Lafayette Hanchett	Lafayette Hanchett
Western Colorado Power Co.			G. M. Gadsby, Pres.
White River Power Company			H. C. Couch, Pres.

Exhibit 43 (Continued)

3088

3089

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF AMERICAN GAS SYSTEM

SCHEDULE B—*Continued*

NAMES OF THE CHAIRMEN OF BOARDS OF DIRECTORS OR PRESIDENT IF NO CHAIRMAN IS PROVIDED FOR
December 31, 1928, 1934, and 1935

(opposite page)

3090

Exhibit 43, Schedule B (continued)

NAME OF COMPANY	CHAIRMAN OF THE BOARD OR OTHER OFFICER AS INDICATED		
	December 31, 1928	December 31, 1934	December 31, 1935
National Company Group			
National Power & Light Company	S. Z. Mitchell	C. E. Groesbeck	P. B. Sawyer, Pres.
Birmingham Electric Company	I. A. Hawkins, Jr., Pres.	J. S. Pevear, Pres.	J. S. Pevear, Pres.
Carlisle Gas & Water Co.	E. W. Hill, Pres.		
Carolina Power & Light Co.	S. Z. Mitchell	L. V. Sutton, Pres.	L. V. Sutton, Pres.
Easton Consolidated Electric Co.	P. B. Sawyer, Pres.	P. B. Sawyer, Pres.	H. F. Dicke, Pres.
Easton & South Bethlehem Transportation Co.			H. F. Dicke, Pres.
Easton Transit Company	P. B. Sawyer, Pres.	P. B. Sawyer, Pres.	H. F. Dicke, Pres.
Edison Illuminating Company of Easton	P. B. Sawyer, Pres.	P. B. Sawyer, Pres.	H. F. Dicke, Pres.
Holston River Electric Company			P. O. Canaday, Pres.
Houston Lighting & Power Co.	Edwin B. Parker, Pres.	S. R. Bertron, Jr. Pres.	S. R. Bertron, Jr. Pres.
Lehighton Electric Light & Power Co.			J. S. Wise, Jr. Pres.
Lehigh Power Securities Corp.	S. Z. Mitchell	C. E. Groesbeck	P. B. Sawyer, Pres.
Lehigh Valley Transit Company	P. B. Sawyer, Pres.	P B. Sawyer, Pres.	H. F. Dicke, Pres.
Lehigh Valley Transportation Co.			H. F. Dicke, Pres.
Memphis Power & Light Co.	H. C. Abell	W. J. O'Brien, Pres.	W. J. O'Brien, Pres.
Pennsylvania Power & Light Co.	P. B. Sawyer	P. B. Sawyer	J. S. Wise, Jr. Pres.
Roanoke River Power Company			J. S. McInnes, Pres.
South Texas Utilities Co.			S. R. Bertron, Jr. Pres.
Susquehanna Gas Company			J. S. Wise, Jr. Pres.
Tennessee Public Service Company		C. H. Harvey	R. W. LamarV-P Gen. Mgr.
West Tennessee Power & Light Co.			John Wisdom, Pres.

Exhibit 43 (Continued)

3094

SCHEDULE C, TABLE 1

MEMBERS OF THE EXECUTIVE COMMITTEES OF THE BOARDS OF DIRECTORS OF CERTAIN OF THE MAJOR HOLDING COMPANIES

1928 and 1934

Name of Company	MEMBERS OF EXECUTIVE COMMITTEE	
	JANUARY 1, 1928	JANUARY 1, 1934
Bond and Share	C. E. Groesbeck	C. E. Groesbeck
	S. Z. Mitchell	S. A. Mitchell (Ch.)
	Lewis Pierson	S. R. Inch
	W. C. Potter	W. C. Potter
	Frederick Straus	Frederick Straus
3095 American Company	C. E. Groesbeck	C. E. Groesbeck (Ch.)
	S. Z. Mitchell (Ch.)	S. A. Mitchell
	Geo. N. Tidd	Geo. N. Tidd
	F. C. Walcott	S. R. Inch
	H. H. Wehrhane	C. F. Kelley
Electric Company	C. E. Groesbeck	C. E. Groesbeck (Ch.)
	Charles Hayden	Charles Hayden
	A. A. Tilney	A. A. Tilney
	H. C. Abell	E. B. Tracy
	S. Z. Mitchell (Ch.)	S. R. Inch
National Company	C. E. Groesbeck	C. E. Groesbeck (Ch.)
	A. A. Tilney	A. A. Tilney
3096	J. K. Newman	J. K. Newman
	S. Z. Mitchell (Ch.)	S. R. Inch
	H. C. Abell	E. B. Tracy
	N. F. Brady	S. D. Warriner
United Company		C. E. Groesbeck
		Charles Hayden
		S. R. Inch
		N. C. McGowen
		E. B. Tracy
Power Company	A. A. Tilney	A. A. Tilney
	Wm. T. Wallace	Wm. T. Wallace
	C. E. Groesbeck (Ch.)	S. R. Inch (Ch.)
Lehigh Company	A. A. Tilney	A. A. Tilney
	S. Z. Mitchell (Ch.)	C. E. Groesbeck (Ch.)
	S. D. Warriner	S. D. Warriner

Ch. indicates chairman of the committee.

Exhibit 43, Schedule C, Table 2

AFFILIATIONS OF THE MEMBERS OF THE EXECUTIVE COMMITTEES OF THE BOARDS OF DIRECTORS OF THE MAJOR OPERATING COMPANIES IN THE AMERICAN COMPANY, ELECTRIC COMPANY AND NATIONAL COMPANY SYSTEMS

	JANUARY 1, 1928		JANUARY 1, 1934	
Name of Company	Number of Members of Executive Committee	Members who were also officers or directors of Bond and Share, American Company, Electric Company or National Company	Number of Members of Executive Committee	Members who were also officers or directors of Bond and Share, American Company, Electric Company or National Company
Florida Power & Light Company	3	3	None	—
Kansas Gas & Electric Company	5	4	3	—
Minnestoa Power & Light Company	3	3	None	—
Montana Power Company	6	2	None	—
Nebraska Power Company	3	2	3	—
Pacific Power & Light Company	5	3	None	—
Portland Gas & Coke Company	5	3	None	—
Texas Power & Light Company	5	3	5	1
The Washington Water Power Company	5	0	6	6
Arkansas Power & Light Company	3	3	None	—
Louisiana Power & Light Company	3*	3*	None	—

* As of April 1, 1933.

Page Tightly Bound

Exhibit 43 (Continued)

		JANUARY 1, 1928		JANUARY 1, 19	
3100	Name of Company	Number of Members of Executive Committee	Members who were also officers or directors of Bond and Share, American Company, Electric Company or National Company	Number of Members of Executive Committee	Members wh were also officers or directors of Bond and S American C pany, Electr Company or National Company
	Mississippi Power & Light Company	3*	3*	None	—
	Idaho Power Company	4	3	None	—
3101	New Orleans Public Service Inc.	7	0	6	1
	Utah Power & Light Company	4	3	5	3
	Dallas Power & Light Company	4	2	5	2
	Birmingham Electric Company	3**	2**	None	—
3102	Carolina Power & Light Company	3	3	None	—
	Houston Lighting & Power Company	3	1	3	1
	Memphis Power & Light Company	3	3	None	—
	Pennsylvania Power & Light Company	None	0	4	2

* As of April 1, 1933.

** As of June 17, 1932.

Page Tightly Bound

Exhibit 43 (Continued)

SCHEDULE D, TABLE 1

STATISTICAL SUMMARY OF THE DIRECTORS OF AMERICAN COMPANY AND CERTAIN UTILITY SUBSIDIARIES FOR DECEMBER 31, 1928, 1934 AND 1935

1	2			NUMBER OF DIRECTORS OF COMPANY WHO WERE ALSO								
				3			4			5		
Name of Company Whose Directors are Classified	Total Number of Directors			Officers or Directors of American Company			Officers or Directors of Bond and Share (Note 1)			Officers or Directors of Associated Utility Companies or holding companies but not of American Company nor of Bond and Share		
	1928	1934	1936	1928	1934	1936	1928	1934	1936	1928	1934	1936
American Company	12	12	8	12	12	8	4(4)	6(6)	0	0	0	0
Central Arizona Light and Power Company	5	5	5	2	4	0	3(2)	1	0	2	0	0
Florida Power & Light Company	7	7	5	5	3	0	5(5)	1	0	1	1	0
Kansas Gas and Electrc Company	15	15	13	3	0	0	3(3)	0	0	0	1	0
Minnesota Power & Light Company	15	15	14	2	0	0	2(2)	0	0	3	2	1
The Montana Power Company	18	14	10	4	7	0	3(2)	6(4)	0	1	3	4
Idaho Transmission Co.	3	3	3	0	0	0	0	0	0	2	2	3
Montana Power Gas Co.	0	7	7	0	2	0	0	1(1)	0	0	3	6
Nebraska Power Company	15	15	14	2	0	0	2(2)	0	0	1	3	2
Citizens Power & Light Company	6	7	7	0	0	0	0	0	0	1	1	1
New Mexico Electric Service Company	0	5	4	0	0	0	0	0	0	0	5	3
Northern Power Company	3	3	3	0	0	0	0	0	0	3	3	3
Northwestern Electric Company	5	5	5	0	0	0	0	0	0	2	3	3
Pacific Power & Light Company	15	15	14	3	0	0	3(3)	0	0	3	5	4
Inland Power & Light Company	5	5	5	0	0	0	0	0	0	1	5	0
Portland Gas & Coke Company	11	11	11	3	0	0	3(3)	0	0	3	4	4
Superior Water, Light and Power Company	7	7	7	2	0	0	2(2)	0	0	3	3	3
Texas Electric Service Company	0	19	17	0	1	0	0	1	0	0	6	3
Texas Power & Light Company	21	19	18	3	1	0	4(3)	1	0	5	7	5
Texas Public Utilities Corporation	5	5	5	0	1	0	0	0	0	4	4	4
The Washington Water Power Company	15	15	13	8	1	0	3(3)	1(1)	0	3	6	2
Chelan Electric Company	5	5	5	0	0	0	0	0	0	3	5	5
Total	188	214	193	49	32	8	37	18	0	41	73	60

Note 1: Number in brackets indicate number of Bond and Share officers and directors shown who were also officers or directors of American Company included in column 3.

Exhibit 43 (Continued)

3106

3107

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE D, TABLE 2

STATISTICAL SUMMARY OF THE DIRECTORS OF NATIONAL COMPANY AND CERTAIN UTILITY SUBSIDIARIES FOR DECEMBER 31 OF 1928, 1934 AND 1935

(opposite page)

3108

Exhibit 43 (Continued)

SCHEDULE D, TABLE 2

STATISTICAL SUMMARY OF THE DIRECTORS OF NATIONAL COMPANY AND CERTAIN UTILITY SUBSIDIARIES FOR DECEMBER 31, 1928, 1934 AND 1935

1	2			NUMBER OF DIRECTORS OF COMPANY WHO WERE ALSO								
				3			4			5		
Name of Company Whose Directors are Classified	Total Number of Directors			Officers or Directors of National Company			Officers or Directors of Bond and Share (Note 1)			Officers or Directors of Associated Utility Companies or holding companies but not of National Company nor of Bond and Share		
	1928	1934	1936	1928	1934	1936	1928	1934	1936	1928	1934	1936
National Company	17	15	9	17	15	9	6(6)	5(5)	0	0	0	0
Birmingham Electric Co.	5	5	5	1	1	0	1(1)	0	0	1	0	0
Carolina Power & Light Co.	14	14	14	5	6	0	4(3)	5(3)	0	1	2	0
Holston River Electric Co.	0	4	5	0	0	0	0	0	0	0	4	0
Houston Lighting & Power Company	14	20	19	0	0	0	2	1	0	2	5	3
Memphis Power & Light Company	11	10	8	3	1	0	3(3)	0	0	1	1	0
Lehigh Power Securities Corporation	15	11	7	9	10	7	5(3)	5(4)	0	3	0	0
Pennsylvania Power & Light Co.	9	7	6	3	2	0	2(2)	2(2)	0	2	1	2
Lehighton Electric Light & Power Co.	3	3	3	1	0	0	1(1)	0	0	2	2	3
Lehigh Valley Transit Company	11	10	8	3	2	0	2(2)	2(2)	0	5	6	6
Easton Consolidated Electric Co.	9	7	6	1	1	0	1(1)	1(1)	0	8	6	6
Edison Illuminating Co. of Easton	9	7	6	1	1	0	1(1)	1(1)	0	8	6	6
Roanoke River Power Company	0	5	5	0	2	0	0	3(2)	0	0	2	0
Tennessee Public Service Co.	5	11	11	3	0	0	2(2)	0	0	1	4	0
West Tennessee Power & Light Co.	7	7	7	5	3	0	4(4)	3(2)	0	1	2	0
South Texas Utilities Co.	5	5	5	0	0	0	0	0	0	2	4	4
Total	134	141	124	52	44	16	34	28	0	37	45	30

Note 1: Numbers in brackets indicate number of Bond and Share officers and directors shown who were also officers or directors of National Company included in column 3.

Exhibit 43 (Continued)

3112

3113

OFFICERS AND DIRECTORS
BOND AND SHARE SYSTEM EXCLUSIVE OF
AMERICAN GAS SYSTEM

SCHEDULE D, TABLE 3

STATISTICAL SUMMARY OF THE DIRECTORS OF ELECTRIC COMPANY AND CERTAIN UTILITY SUBSIDIARIES FOR DECEMBER 31 OF 1928, 1934 AND 1935

(opposite page)

3114

Exhibit 43 (Continued)

SCHEDULE D, TABLE 3

STATISTICAL SUMMARY OF THE DIRECTORS OF ELECTRIC COMPANY AND CERTAIN UTILITY SUBSIDIARIES FOR DECEMBER 31, 1928, 1934 AND 1935

1	2			NUMBER OF DIRECTORS OF COMPANY WHO WERE ALSO								
				3			4			5		
Name of Company Whose Directors are Classified	Total Number of Directors			Officers or Directors of National Company			Officers or Directors of Bond and Share (Note 1)			Officers or Directors of Associated Utility Companies or holding companies but not Electric Company nor of Bond and Share		
	1928	1934	1936	1928	1934	1936	1928	1934	1936	1928	1934	1936
Electric Power & Light Corporation	15	12	9	15	12	9	5(5)	5(5)	0	0	0	0
Arkansas Power & Light Co.	15	15	15	3	1	0	2(2)	0	0	1	3	4
Dallas Power & Light Company	17	17	10	1	1	0	3(1)	2(1)	0	4	4	0
Louisiana Power & Light Company	11	13	12	3	1	0	2(2)	0	0	1	2	3
Mississippi Power & Light Co.	13	13	13	3	1	0	2(2)	0	0	1	3	4
New Orleans Public Service, Inc.	19	20	9	3	0	0	3(3)	0	0	2	2	0
Power Securities Corporation	9	7	5	7	4	5	3(3)	2(2)	0	1	2	0
Idaho Power Company	16	16	14	2	0	0	1(1)	0	0	4	4	3
Nevada Power Co.	3	3	3	0	0	0	0	0	0	3	3	3
United Gas Corporation	0	12	9	0	7	9	0	4(3)	0	0	2	0
United Gas Public Service Company	0	7	6	0	0	0	0	0	0	0	6	4
Northern Texas Utilities Company	0	9	8	0	0	0	0	0	0	0	7	6
Houston Gulf Gas Company **	0	9	9	0	1	0	0	1(1)	0	0	3	5
Houston Gas and Fuel Co. **	0	6	9	0	0	0	0	0	0	0	5	6
Southern Gas Utilities, Inc.**	0	7	7	0	0	0	0	0	0	0	5	5
United Production Corp.**	0	5	5	0	0	0	0	0	0	0	5	5
Southern Gas & Fuel Co.	4	5	5	1	0	0	1(1)	0	0	1	4	4
Compania Mexicana de Gas, S. A.	0	5	4	0	0	0	0	0	0	0	2	1
Utah Power & Light Co.	17	17	15	3	1	0	3(2)	1	0	1	5	3
The Western Colorado Power Co.	9	9	9	5	0	0	6(4)	0	0	1	6	7
Bountiful Light & Power Co.	0	7	7	0	0	0	0	0	0	0	6	7
Utah Light and Traction Co.	12	9	7	0	0	0	1	0	0	1	3	5
Total	160	223	190	46	29	23	32	15	0	21	82	75

Note 1: Numbers in brackets indicate number of Bond and Share officers and directors shown who were also officers or directors of Electric Company included in column 3.

**—Not Bond and Share subsidiaries in 1928.

Exhibit 44

3118 **PERSONNEL OF AMERICAN COMPANY**

1 President.
1 Vice-President.
1 Secretary and Treasurer.
1 Assistant Secretary and Assistant Treasurer.
7 Accountants, Bookkeepers and Clerks.
5 Secretaries, Stenographers and Typists.
1 Office boy.

May 1, 1936.

3119

3120

Exhibit 45

STATEMENTS MADE BY OFFICERS OF BOND AND SHARE WITH RESPECT TO ITS RELATION TO HOLDING DEFENDANTS AND THEIR SUBSIDIARIES

3121

A. *Statement for Report of House Committee on Interstate and Foreign Commerce*

The Report of the Committee on Interstate and Foreign Commerce, House of Representatives (73d Congress 2d Session House Report No. 827, Part 3—"Holding Company Investigation") contains (on page 437) the following statement in the text and in a footnote under the caption "Electric Bond and Share Co. Group":

3122

[Text] "Electric Bond and Share Co. is a holding and management company with its principal office at 2 Rector Street, New York City. The Company suggests the following amended form of this introductory statement: ('The Electric Bond and Share Co., located at 2 Rector Street, New York City, falls within the category of a holding and management company as defined in this report. The management, however, considers the company to be an "investment" company and not a "holding" company as that term is ordinarily used, and regards its services as "supervisory" and not "managerial" in character.'*)"

3123

[Footnote] "*The head company suggests also that the following statement be made in this report: 'The relations of Electric Bond and Share Co. to these holding companies (Ameri-

3124 can Power & Light Co., Electric Power & Light Corporation, and National Power & Light Co.), in addition to the substantial minority voting power position held are such that the Electric Bond and Share Co. organization in reality operates and controls these companies. As these holding companies were originally organized in each instance under the auspices of Electric Bond & Share Co., this relationship has obtained from the beginning of business of each company to the present time. During recent years Electric Bond & Share Co. has strengthened the relationship by the acquisition from

3125 time to time of additional voting stocks, particularly in the case of Electric Power & Light Corporation and National Power & Light Co. in which cases the percentage of voting power owned at Dec. 31, 1932, approximated a majority of the total. In all three instances, Electric Bond & Share Co. by virtue of being the largest stockholder and being in charge of the operation of the business of the companies has been and is able to obtain sufficient votes from outside stockholders to perpetuate a continu-

3126 ation of the existing relationship."

Bond and Share confirms that its representative made the above stated suggestions.

B. *Testimony of S. R. Inch before Committee on Interstate and Foreign Commerce of the House of Representatives.*

On March 28, 1935, S. R. Inch, President of Bond and Share, appeared before the Committee on Inter-

state and Foreign Commerce of the House of Representatives in connection with the hearings then being held by that committee prior to the enactment of the Act, and there testified, in part, as follows: 3127

"Electric Bond & Share Co. is not and never has been a 'paper' company. It is not something of recent creation. It was not super-imposed on operating companies as a 'device' for financial or corporate control. It is and always has been a working organization. It has from the beginning provided the initiative, done the planning, and found the money for the creation, development, and support of the group which 3128 bears its name.

"The growth of our group has been not fortuitous but organic. This is the explanation of the relative simplicity of our corporate set-up. First came Electric Bond & Share Co., itself, in 1905. Its first undertaking was the assembling of the properties for and the formation and financing of the American Gas & Electric Co. In that company, we still hold a minority interest but we do not in any way supervise its operations nor have we ever done so. Its business and operations are, therefore, not included 3129 in such facts and figures as I may here present for your consideration.

"Later, and from time to time as new operating properties were assembled by Electric Bond & Share Co. initiative and money, a holding company was organized to hold their common stocks, thus making possible the sale of the bonds and preferred stocks of the operating subsidiaries on attractive terms to them and

so providing a sound financial set-up under
3130 which every company in the group is solvent today.

"The Electric Bond and Share Co. plan has been developed on the idea that its associated holding companies are merely investment companies through which equity money could be raised for the financing of the operating subsidiaries.

"These associated holding companies have no pay rolls, receive no fees, hold no outside investments, and serve no functions except the very important ones of providing the equity
3131 money for, and the cash advances needed from time to time by, their own operating subsidiaries.

. . . . . .

"Mr. Mapes. 'Let me interrupt you. Its first investments then were in operating companies only?'

"Mr. Inch. 'Yes, sir; in other words, first of all, the Bond & Share Co. used its money and its credit to go out and get some operating properties to put together. When they were put together in this particular case it organized
3132 the American Gas & Electric Co. and then that went off on its own and, as you know, it is one of the best companies in the country, if I do say so. And I am neither an officer nor a director in it nor have any connection with it except that we hold some of its stock.'

"Mr. Martin. 'How did it go off?'

"Mr. Inch. 'Just started off on its own; just like any other group might do; but a different plan was adopted next time that the Bond &

Share did the same thing; and that has since been its way of organizing and operating.' 3133

"'Again, using Bond & Share credit and money and Bond & Share courage, which has been rather a large ingredient in our career, it assembled some operating companies, and when it had them together it organized the American Power & Light Co., and all of the common stocks of the operating companies were transferred to the American Power & Light Co. The American Power & Light Co. then did certain public financing to pay for it, of course, and was started off as a financing company only, the idea being that if you could get a 3134 holding company for only the financing purpose of providing diversity of risk that you had done something very meritorious; and it has so proven, in our opinion.'

"Mr. Mapes. 'Why could not that all be done by the Electric Bond & Share Co.?'

"Mr. Inch. 'It could, except that it was not at that time. I do not know whether it was wise or not; but it has worked, and that is really the test of usefulness as to these things. It was thought desirable when that group was done to close it and go on and do another job 3135 and then to get the new investors that might come into that, you see.'

"'You cannot always go to stockholders you have and ask them to put up a lot more money for something else. They may not want to do it. And so a new group of properties were assembled and a new holding company was created and its securites offered to the public, and anybody that wanted to buy them bought them.'

"Mr. Martin. 'Which one was that? Was
3136 that the Electric?'

"Mr. Inch: 'That was the Electric; yes, sir; and then the National came along after that.'"

C. *Booklet Prepared by Bond and Share.*

In March, 1935, Bond and Share prepared a booklet entitled "The Origin of Electric Bond and Share Company and the Nature and Value of the Services Which it Renders to its Associated Domestic Operating Companies". Bond and Share distributed copies of this booklet to members of the Congress
3137 who then had under consideration the enactment of the Act. This booklet contains the following statements, among others:

"Electric Bond and Share Company has obtained that degree of diversity of risk necessary properly to finance the equity money required for the domestic operating companies through three main holding companies in which it owns a substantial stock interest, namely, American Power & Light Company, Electric Power & Light Corporation and National Power & Light
3138 Company. Although Electric Bond and Share Company owns a majority of the common stock in only one of these three companies (i.e., Electric Power & Light Corporation), it may properly be said to exercise at this time practical control of each during the pleasure of the holders of a majority of the voting stock.

"These three holding companies control, directly or indirectly, all of the domestic operating companies in the Electric Bond and Share

Exhibit 45

Group through ownership of all, or substantially all, of the common stock of such companies. These operating companies, located in different sections of the country, have been purposely grouped so as to give each holding company geographic and economic diversity of risk and sources of income." (P. 14) 3139

* * * * *

"Since the time when Electric Bond and Share Company first began to consolidate small properties into operating units of economic size and to group these units under holding companies for the purpose of diversification, it has been and still is its policy to reduce the companies in the Group to the smallest number consistent with sound financing and as rapidly as economically and legally feasible. Today the inter-corporate relations of the Electric Bond and Share Group are not complicated, as will be readily seen by glancing at the chart (Plate VII) following page 16." (P. 15) 3140

* * * * *

"A unified plan of management is the essential factor in efficiency and accomplishment. It is the central idea on which Electric Bond and Share Company is operated. Separate management from control and from responsibility for raising funds and there is bound to result wasteful and inefficient management." (P. 58) 3141

Exhibit 45

D. Letter from Bond and Share to Utah Tax Commission.

3142

On May 8, 1934, Bond and Share transmitted the following letter to the Tax Commission of the State of Utah:

"Pursuant to the request contained in your letter of April 11, 1934, we are submitting to you herewith under protest official returns pursuant to the Utah Corporation Franchise Tax Act for the years 1931, 1932 and 1933, together with our check for [ ], representing
3143 the payment under protest, of the aggregate taxes for the three years in question as computed in such returns.

"Electric Bond and Share Company's services to its client companies either are rendered in New York City or constitute transactions in interstate commerce, and, therefore, this company is not doing any intrastate business in Utah and is not 'doing business' in Utah in such a way as to come within the purview of the Utah Corporation Franchise Tax Act. We are, however, more concerned about the prin-
3144 ciple involved than about any taxes which might be levied under the provisions of the Act and the enclosed returns are, therefore, filed without conceding that such returns should be filed. We hereby expressly reserve all of our rights to contest both the constitutionality of the Utah Corporation Franchise Tax Act and the applicability of any of its provisions to this Company. We expect to file, and hereby give notice of our intention so to file, an appropriate

Exhibit 45

claim for refund of the entire amount of the taxes hereby paid under protest. 3145

"Electric Bond and Share Company had no tangible property in the State of Utah, paid no wages, salaries, commissions, or other compensation to any person, firm or corporation in the State of Utah and received no rents, interest, dividends or capital gains from sources in the State of Utah. Your 'Schedule N—Allocation of Income' is therefore not applicable to this Company and has not been used."

Yours very truly, 3146

ELECTRIC BOND AND SHARE COMPANY
By (Signed) E. W. Hill
Vice-President"

3147

Exhibit 46

3148

Personnel Charts of Operating Companies

1. Central Arizona Light and Power Company

2. Minnesota Power & Light Company

3. Pennsylvania Power & Light Comapny

These charts appear in volume VII, pages 2096 to 2101.

3149

3150

Exhibit 47

3151

STOCK OWNERSHIP OF DIRECTORS OF MAJOR OPERATING COMPANIES

AS OF BARCH 1, 1936

The holdings of 233 directors of 21 typical major operating companies in the common and preferred stock of their operating company, of its parent holding company, and of Bond and Share are set out in the following table:

Number of Directors Who Own

3152

No. of Shares	Operating Co. Common Stock	Operating Co. Preferred Stock	Parent Co. Common Stock	Parent Co. Preferred Stock	Bond & Share Common Stock	Bond & Share Preferred Stock
0	65	102	204	213	200	226
1	94 [1]	25	1	0	0	0
2-10	45 [2]	23	2	1	5	0
11-100	21	43	11	6	18	5
101-1000	8	38	11	10	10	2
Over 1000	0	2	4	3	0	0
	233	233	233	233	233	233

3153

[1] 82 of these 94 own only required qualifying shares.
[2] 18 of these 45 own only required qualifying shares.

Exhibit 48

3154 **EXCERPTS FROM MINUTES OF BOND AND SHARE AUTHORIZING INCORPORATION OF EBASCO**

This certifies that the following is a true and complete excerpt from the minutes of a meeting of the Board of Directors of ELECTRIC BOND AND SHARE COMPANY held at New York, N. Y. on November 13, 1935, at which a majority of such Directors was present and voting throughout:

"The Chairman explained to the meeting that it was proposed to organize a subsidiary
3155 service corporation under the laws of New York to take over the business and contracts for service to operating public utility companies in this country and abroad now rendered by Electric Bond and Share Company and to discontinue rendering services to the holding companies, and asked for an expression of opinion and vote by the Board upon the subject.

After discussion, on motion duly seconded, it was

3156 **VOTED that the Officers of this Company be and hereby are authorized to cause to be incorporated under the laws of New York, with appropriate charter powers, a service company to render the services now being rendered by this Company to operating public utility companies in this country and abroad, and to transfer to such service company this Company's holdings of stock in Two Rector Street Corporation, Phœnix Engineering Corporation and Emprezas Electricas Brasileiras, S. A., the Lease of**

Exhibit 48

No. 2 Rector Street as set forth in the agreement dated March 31, 1925 between Two Rector Street Corporation and this Company as modified by the agreement dated November 20, 1930 between Two Rector Street Corporation and this Company and The Prudential Insurance Company of America, office furniture and fixtures required for the operation of the new company and cash working capital, in consideration of the assumption by the new company of the obligations of this Company under the Lease and the issuance to this Company of all the stock of the new company; and further 3157 3158

VOTED that this Company assign to the new company all service contracts and other arrangements of a similar nature with public utility operating companies and all other contracts or arrangement held by this Company useful in, or relating to, the performance of this Company's obligations under such service contracts and other similar arrangements, in consideration of the assumption by the new company of the obligations of this Company thereunder; and further 3159

VOTED that, with the approval of the holding companies involved, the present contracts for service to the holding companies should be terminated as of the date as of which the service contracts with the operating public utility companies are assigned to the new company."

Witness my hand and the seal of said Company at New York, N. Y., this March 13, 1936.

E. P. SUMMERSON (Signed)
Secretary.

(SEAL)

CLERK'S COPY.

Vol. V

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U. S. C.

166

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1937

No. 636

ELECTRIC BOND AND SHARE COMPANY, AMERICAN GAS AND ELECTRIC COMPANY AND AMERICAN POWER & LIGHT COMPANY, ET AL., PETITIONERS,

vs.

SECURITIES AND EXCHANGE COMMISSION, HOMER S. CUMMINGS, INDIVIDUALLY AND AS ATTORNEY GENERAL OF THE UNITED STATES, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR CERTIORARI FILED DECEMBER 14, 1937.

CERTIORARI GRANTED JANUARY 3, 1938.